Daily Report

Latin America

FBIS-LAT-91-233
Wednesday
4 December 1991

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FBIS-LAT-91-233 *4 December 1991*

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Menem Speaks at Group of 15 News Conference

PY3011140491 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1758 GMT 29 Nov 91

[Excerpts] Caracas, 29 Nov (NA)—The presidents who participated in the second summit meeting of the Group of 15 have agreed here today on the need to strengthen cooperation ties among Southern Hemisphere countries without lessening relations with the industrialized countries of the North.

The presidents expressed this common viewpoint during a joint news conference that took place in the Caracas Hilton Hotel which marked the end of the second summit meeting of the Group of 15.

Menem, who was repeatedly questioned by Latin American, African, and Asian journalists, said that one of the main conclusions arrived at by the group is on the need to democratize the United Nations and to strengthen cooperation among developing countries.

The Argentine president said that in the next few months and until the next summit meeting is held in Senegal, Africa, the member countries will analyze the possibility of incorporating at least two new Asian and Middle East countries into the group.

"We hope to have full attendance at the next summit in Senegal," the president said when asked about the absence of four presidents of the 15 member countries. [passage omitted]

Menem also spoke about the need for integration and mentioned the Mercosur [Common Market of the South] agreement which Argentina signed with Brazil, Paraguay, and Uruguay and the planned formation of a free trade zone in the continent through the Initiative of the Americas proposed by U.S. President George Bush.

"The world is dividing into regions and in this world, which is being compartmentalized through integration processes and free trade zones, the member countries of the Group of 15 are included. This is why our declarations and our agreements signed here in Caracas aim at cooperation and coming closer together," the Argentine president said.

Menem said that the Group of 15 tries to maintain relations with all the country organizations of the world, although each country has a specific kind of relationship with the international organizations. "Argentina has no problem with any country in the world," Menem said after pointing out that relations with the United Kingdom were reestablished in 1990.

President Collor Sends Letter to Menem

PY2911203691 Buenos Aires TELAM in Spanish 1656 GMT 29 Nov 91

[By special correspondent]

[Text] Caracas, 29 Nov (TELAM)—Argentine President Carlos Menem today received a personal letter from his Brazilian counterpart, Fernando Collor de Mello, in which he explains the reasons why he could not attend the Group of 15 summit held in this city.

This was reported by Menem's spokesman, Humberto Toledo, in the hotel where Menem is staying. Toledo said that in his letter President Collor stated that he had to meet with leaders of Brazilian political parties and hold meetings to analyze Brazil's economic stability.

Argentine delegation sources told journalists that the presidents who held a round of talks in the township of El Guri, 750 km southeast of Caracas, "did not have a good time because they were quite isolated and the place was not comfortable."

Malaysian Leader on Dialogue With Latin America

BK0412051091 Kuala Lumpur BERNAMA in English 0418 GMT 4 Dec 91

[Text] Castries (St. Lucia), Dec 4 (OANA-BERNAMA)—Latin American and Caribbean regional groupings can become ASEAN's dialogue partners and help each other, Malaysian Prime Minister Dr. Mahathir Mohamed said here Tuesday.

He said that as the European Community (EC) was an ASEAN dialogue partner, he saw no reason why dialogue partnership could not be extended to Latin America and the Caribbean.

"The Caribbean group would be interested in having dailogue with us and we can find out how we can help each other," he told a press conference at the end of a three-day visit to this West Indian island nation.

Dr. Mahathir, who left for Barbados enroute home, said this had also been mentioned during the summit of the Group of 15 developing countries which he attended in the Venezuelan capital, Caracas, from Nov 27 to 29.

He said that if the regional groupings, like the Andean group and the Rio Group in Latin America and the Organisation of East Caribbean States (OECS) were interested, ASEAN could study the possibility of making them dailogue partners. He would be reporting on his meetings in Venezuela and the Caribbean to the ASEAN heads of government meeting in Singapore next month.

Continued Proceedings of Rio Group Summit

Haiti, Cuba Discussed

PA0312184891 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 3 Dec 91

[Report by Epigmerio Ibarra from Cartagena, Colombia]

[Text] In Cartagena, Colombia, the Group of Rio has decided to intensify the embargo against Haiti and to reject the proposal made by Argentine President Carlos Menem for a military intervention in Cuba.

[Ibarra] The predominant characteristic of the Group of Rio meeting has been cordiality.

[Begin recording of Colombian President Cesar Gaviria] We have worked in an atmosphere of frankness and cordiality. We have been able to make progress on some political agreements within the Group of Rio. [end recording]

[Ibarra] There have been many meetings and other ways of communicating. In addition to the plenary meetings, there have been meetings in hallways, bilateral talks, and news conferences.

Peru has announced that it will implement important measures, including the withdrawal of troops from the border with Ecuador and the establishment of border security areas to resolve territorial conflicts with that country.

The situation in Haiti has been discussed in detail. Measures have been implemented to support OAS actions and the return of democracy to Haiti.

Five years after its creation, the Group of Rio has become an effective and efficient group for political communication and agreement in Latin America.

This meeting in Cartagena has allowed the chiefs of state, without formalities or protocol, to establish a system of direct communication to discuss the issues that are most important for Latin America.

The discussions have been smooth and the meetings brief. The situation in Cuba has been touched on, but the Cuba issue has been on the table ever since the summit in Cozumel. Cuban opposition sectors have spoken against the position of the Group of Three. However, this does not look like a suitable moment for shifting positions. There may be slight differences of opinion, but the position stated at the previous meeting of the Group of Three stands.

[Begin recording of Mexican Foreign Secretary Fernando Solana] Mexico, together with Colombia and Venezuela, are trying to give Cuba time to make its own decision without having to endure suffocating pressure.

Evidently, Cuba is experiencing a particularly difficult economic situation. The Group of Three—Colombia, Venezuela, and Mexico—wants to give Cuba time to make its own decision, one that should allow the island to solve its problems. [end recording]

[Ibarra] There has been cordiality and agreement at the meeting. The dialogue has begun. The presidents have been opening doors to a kind of direct diplomacy.

Agreements made during the Cartegena summit would result in specific actions being taken by the Group of Rio, especially in the case of Haiti.

Perez Predicts Suriname Coup

PA0312163891 Paris AFP in Spanish 1922 GMT 2 Dec 91

[Text] Cartagena, Colombia, 2 Dec (AFP)—Venezuelan President Carlos Andres Perez on 2 December warned that Suriname is "on the verge" of a coup d'etat similar to the Haitian military's overthrow of President Jean-Bertrand Aristide on 30 September.

Speaking to his Latin American colleagues gathered in Cartagena for the Fifth Summit of the Group of Rio, Perez said that if the coup carried out by General Raoul Cedras in Haiti is ultimately successful, "this would mark the beginning of a new wave of military coups in the region."

President Perez—whose speech was heard by the media because of a mistake made by the sound technicians—openly reported that "there is a possibility of a military dictatorship in Suriname, also." He added that what makes things worse is "it is a well-known fact that this country has become a very important center for drug trafficking in Latin America."

"Because I know the internal situation of Suriname very well, I am totally convinced that if we allow the coup in Haiti to be successful, we will soon have another coup in Suriname, and who knows what will happen in other Latin American countries," Perez said.

The Rio Group is discussing an Argentine proposal that would change the current OAS embargo against Haiti into a military blockade. This action is designed to isolate the military regime of Gen. Cedras and to force the return of constitutional order to the Caribbean country.

The Argentine motion to impose a blockade on Cuba [as received] is gathering strength, as several presidents have reported that "pirate boats," some from Europe, are violating the OAS embargo.

Perez on Cuba, Haiti

PA0412044091 Caracas Venezolana de Television Network in Spanish 0000 GMT 3 Dec 91

[Passages within quotation marks are recorded]

[Text] There were high expectations surrounding the first informal meeting that Venezuelan President Carlos

Andres Perez held with the international media in Cartagena, Colombia, where he traveled to attend the fifth meeting of the Group of Rio presidents. Perez said that the main objective of this summit is to end the feeling of inferiority in the developing world:

[Perez] "That is our main problem; that is what we came to discuss with the Group of Rio, the Group of Three, and the Andean Pact. I think that for the first time systematic steps have been taken that are strengthened by the unity established by Latin America to gain the place that it deserves in the world and to end this inferiority complex, because while we are asked to implement a host of measures to open up our trade, the industrialized nations are imposing on us an increasing number of more sophisticated protectionist measures."

In view of the influence that the chief of state has wielded in the hemisphere's international policy, the Cuban issue was immediately brought up:

[Perez] "It is regrettable that the Cold War and the East-West confrontation apparently disappeared in the entire world except in Latin America and the North American continent. The position of the United States toward Cuba and that of Cuba toward the United States continues to be inexplicably rigid, and this is harmful to the main interests of the American region. I think that each party must give important signals. The United States must end its blockade against Cuba, which had a reason to exist when Cuba was an essential strategic asset for the Eastern bloc. We hope that Cuba will give clear signs of its decision to join our hemispheric life and implement a democratic opening in keeping with its own leaders' decisions."

For some journalists it was not clear why Perez supports a trade embargo against Haiti while maintaining that an economic blockade against Cuba is unjustified:

[Perez] "This seems to be a logical question. However, these are different situations. The situation in Cuba is the product of a different reality that prevailed in the world during the Cold War and the Aristide problem is a more current one. After several years without military coups in Latin America, if we were to allow the military to regain power through forceful means in Latin America, we would simply be reopening the door to military coups in the region. The only roadblock, which could be the OAS, would have been discredited for allowing brute force to be imposed in Haiti. However, for the first time the OAS has assumed a responsible position regarding democracy in Latin America.

"It is true that the embargo is harmful to the Haitian people. However, are the Haitian people not experiencing an unmentionable situation of destitution that is not comparable to the worst of situations that any Latin American could face? If dictatorships were maintained, would Haiti be saved from this situation? It is better for the Haitian people to suffer now from an embargo, which should become a blockade, to force the murderous soldiers to give a chance to the democratic process that began with Aristide."

The president was asked whether the Haitians' right to self-determination is being violated.

[Perez] "That is the most regrettable sophism that we Latin Americans have nursed. Nonintervention is intervention; nonintervention means giving the chance to a country with great power and potential to decide when it should or should not intervene in our countries."

Finally, Perez voiced some of his proposals on the issues of drug trafficking and the struggle against it:

[Perez] "We are willing to do whatever is necessary to fight this crime against humanity that is called drug trafficking. In this regard, I am very critical of the weakness displayed by Latin American countries. Our ties with the past have not allowed us to understand or interpret sovereignty in such a way as to prevent it from becoming a toy or a mockery of drug traffickers.

"I think we must create a multinational system; we must declare this a supranational crime. We must adopt supranational measures to contain and fight drug trafficking. As long as we do not reach agreements of this nature and as long as our borders cannot act as a defense against drug traffickers, we will always be mocked and we will, unfortunately, become involuntary accomplices of drug trafficking in Latin America."

Cuban Opposition Asks Mediation

PA0312151791 Madrid EFE in Spanish 1558 GMT 2 Dec 91

[Text] Cartagena de Indias (Colombia), 2 Dec (EFE)—On 2 December, the Cuban opposition in exile asked the 13 presidents of the Rio Group to mediate between them and the Cuban Government for a peaceful transition to democracy to prevent a civil war or U.S. intervention.

Representatives from the Cuban opposition, headed by writer Carlos Alberto Montaner, traveled to Cartagena de Indias to deliver letters to the presidents of Argentina, Bolivia, Brazil, Colombia, Costa Rica, Chile, Ecuador, Mexico, Paraguay, Peru, Uruguay, and Venezuela, as well as the Jamaican prime minister, who on 2 December began a two-day "summit."

The Rio Group could become a "viable mechanism" to permit "a truly democratic outcome" for a crisis that "is not with Washington, but with the (Cuban) people," said the letter from the Democratic Platform.

"We must all eliminate the ghost of a civil war in Cuba, which would generate unnecessary violence and provoke U.S. intervention, which no one desires and which would benefit no one, if the situation on the island gets out of control," the Cuban opposition's letter said.

The letter also expressed the "pacifist attitude" of the opposition to Castro inside the island and abroad. It

adds that the opposition "has disregarded violence" and "works in favor of a political transition with guarantees for all sides," without "revenge or reprisals," no matter who may win in free elections.

The members of the Cuban opposition asked the Rio Group to act as mediator between them and the Cuban Government and asked the presidents for their cooperation to achieve democracy on the island because "we are democrats like you and we want a model of society that is determined from elections and a state of law, as yours."

The Cuban opposition mentioned in its letter the case of dissident poet Maria Elena Cruz Varela, secretary of the Alternative Criteria movement, who was recently sentenced to two years in prison for her ideas.

"Despite the regime's violence against the peaceful opposition, we will continue asking the democracies of the world, particularly the Rio Group, to contribute their efforts to create the climate of social detente and pluralistic democratization that Cuba needs," the letter added.

The Cuban situation has gained the attention of the participants in the Cartagena "summit." A declaration outlining possible pressures on Castro was left for the presidential meeting due to a lack of consensus by the foreign ministers.

All the countries attending the summit agree that Cuba must join the continent's democratization process. They disagree, however, on the mechanisms to persuade Fidel Castro.

Menem on Haiti Embargo

PY0312021691 Buenos Aires TELAM in Spanish 2000 GMT 2 Dec 91

[Report by unidentified "special" correspondent from Cartagena, Colombia]

[Excerpt] Cartagena, 2 Dec (TELAM)—President Carlos Menem today announced that the Rio Group "has decided to confirm the embargo against Haiti" and noted that the Argentine proposal to impose a blockade "will not pass, but we will continue to insist."

Menem made these remarks in reply to questions by reporters on Haiti, which became a focal point of the discussions by the Rio Group presidents during the fifth summit being held at the local convention center.

Commenting on the Argentine proposal to impose a blockade on Haiti until democracy is restored in that country, Menem made it clear that the proposal called for a blockade, "but not a military blockade." He noted that "to impose a blockade means not to let anything reach the target country."

Commenting on the OAS embargo against Haiti, Menem said that "in accordance with a paragraph of the final document of the summit, the Rio Group has decided to thoroughly study measures that could be taken in the future."

Asked about the Argentine position on Cuba and the opinion of the Rio Group presidents on this subject, Menem said that one should wait for the final document of the Cartagena summit to be released tomorrow.

Commenting on reactions elicited here by the Argentine position on this subject, Menem said that "in principle, except for the wording of a communique drafted by my country, there will be no major changes here."

Menem reiterated that the Argentine position "on the Cuban case is irreversible." He said: "Cuba must first undergo a democratization process before rejoining Latin America." [passage omitted]

Argentine Position on Cuba

PY0312210491 Buenos Aires TELAM in Spanish 1927 GMT 3 Dec 91

[Report by unidentified "special" correspondent from Cartagena, Colombia]

[Text] Cartagena, 3 Dec (TELAM)—President Carlos Menem today said that "in principle," the Argentine position regarding Cuba prevailed at the Rio Group summit in Cartagena. He pointed out that the joint communique signed by the 13 chiefs of state who attended the summit urges Cuba "to seek a swift democratic solution" to its situation.

Asked about the Rio Group presidents' opinion on Cuba, Menem mentioned the communique and added: "Personally, I believe some pressure must be exerted on Cuba, but you had better read the document."

Before leaving for the Cartagena airport to begin his trip back to Buenos Aires, Foreign Minister Guido di Tella told the foreign reporters: "The Argentine call for pressure over Cuba was accepted." He added: "The joint declaration itself is a way of exerting very strong moral pressure."

Di Tella pointed out that during the Cartagena summit, "it was agreed that the group should be very serious with the Cuban Government and very cordial with the people" of Cuba.

The declaration states that the Rio Group presidents are "convinced that it is necessary to support all the fundamental actions aimed at ensuring the full implementation of democracy, freedom, and progress in the countries of the region in compliance with the principles of nonintervention and free determination."

It adds: "They express their profound concern over Cuba's current and future situation, and assert their willingness to help Cuba thoroughly enforce respect for human rights and an open and free economic development in peace, justice, freedom, and democracy."

After mentioning that they expect the Cuban Government to fulfill objectives that will allow its reinstatement into the inter-American system, the Rio Group presidents expressed their conviction that "a renewed dialogue held between Cuba and the other countries of the continent in an atmosphere of detente will make changes easier and help solve the pending problems within the framework of international laws."

Di Tella emphasized the contribution of those who attended the summit to the drafting of the communique and emphasized the "irreversible" position of Argentina regarding Cuba's reinstatement into the American system, which "is directly related to its democratization."

Menem left for Argentina a short while before 1200 after having attended over the last seven days the Group of 15 summit in Caracas and the Rio Group summit in Cartagena, Colombia. In a news conference at the Cartagena Convention Center, Menem asserted that Argentina was a "major participant" in drafting the final document, particularly regarding the portions on Cuba and Haiti.

Asked whether there had been serious friction among the summit presidents regarding the Cuban issue, Menem said: "Not at all. There have been discussions, as ther should be whenever presidents must discuss such delicate issues." Menem thus minimized a series of rumors spread among journalists who covered the summit.

Final Declaration Cited

PA0412040091 Mexico City NOTIMEX in Spanish 2206 GMT 3 Dec 91

[Report by Rafael Croda and Enrique Mora]

[Text] Cartagena, 3 Dec (NOTIMEX)—On 3 December the presidents of the Group of Rio urged industrialized countries to lift protectionist measures and to give overall attention to the drug trafficking problem.

In the final document issued at the end of the Fifth Summit of the Group of Rio, the heads of state of 11 nations noted that commercial restrictions imposed by developed countries produce a high social cost in the so-called Third World.

The text referred to the "grave risk posed by the protectionist and restrictive measures unilaterally imposed by industrialized countries, which block the access of developing countries to those markets."

The presidents stressed that the restrictions result in "adverse effects on their efforts to achieve sustained development and result in a high social cost."

In addition, they urged the industrialized nations to abandon practices that do not contribute toward maintaining an open scheme of international economic relations, which are the basis for new development strategies."

With regard to the drug trafficking problem, the document "supported the policy maintained by the Group of Rio countries in the struggle against drugs and reiterated the urgent need to give the problem overall treatment."

The communique said that "firm bilateral and multilateral action is necessary within the framework of shared responsibility between countries affected by production and consumption to adopt effective measures to deter and control the consumption and illegal trafficking of drugs, and also to prevent money laundering and the sale of weapons. [quotation marks as received]

The presidents expressed their concern over the reappearance of unjustified barriers and ecological conditions that affect exports in developing countries.

The document was signed by the presidents of Argentina, Brazil, Bolivia, Colombia, Chile, Ecuador, Mexico, Paraguay, Peru, Uruguay, and Venezuela, at the conclusion of a two-day meeting in Cartagena.

Also present at the summit were the Jamaican prime minister, representing the Caribbean nations, and the Costa Rican president, representing Central America.

Havana on Final Communique

FL0312232591 Havana Radio Reloj Network in Spanish 2043 GMT 3 Dec 91

[Text] In the final communique from their fifth summit meeting in Cartagena, Colombia, the Rio Group presidents called for support of democracy, freedom, and progress of the peoples of the region, with respect for the principles of nonintervention and self-determination. The issue of Cuba was a central topic in the two-day-long deliberations. The group stated that renewed dialogue between our country and the other Latin American countries, in a climate of detente, would help to solve current problems.

The presidents expressed their confidence that the Cuban Government will reach the socioeconomic and political goals it has set, and the nation will be able to rejoin the inter-American system. In this regard, OAS Secretary General Joao Baena Soares repeated that it is necessary to consider Cuba's reintegration as part of the efforts on behalf of regional integration.

Meeting in Cartagena, Colombia, the Rio Group reaffirmed in the final message of its fifth summit the urgent need for regional integration based on democracy, and guaranteed by current political processes. The document, which was approved by the 13 presidents of the region, representing Latin America and the Caribbean, stressed the importance of political and economic cooperation in promoting social justice and progress.

The Rio Group also decided to establish a preparatory commission made up of representatives of the Latin American governments and legislatures in order to study the creation of a community of Latin American nations. Likewise, the group proposed to work for integrated

management of the fight against drugs, and all the presidents supported the principle of shared responsibility among the countries affected by the production or consumption of narcotics.

Lacalle on Cuba

PY0312140091 Montevideo Radio El Espectador Network in Spanish 0900 GMT 3 Dec 91

[Excerpts] President Luis Alberto Lacalle has announced in Cartagena de Indias that the first measures for reducing electric power rates and industrial fuel prices will be adopted in the first months of 1992, so that Uruguay may adjust its production costs in order to be in a position of competitiveness for implementation of Mercosur [Common Market of the South].

The president made this statement during an interview with Uruguayan journalists covering the Group of Rio presidential summit. [passage omitted]

Asked about the possibility of Cuba rejoining the inter-American system—an issue to which particular attention has been given during the summit—the president replied: The situation in Cuba has not improved; it has worsened. Events in the past few days have challenged any possible attempt to promote Cuba's rejoining the inter-American system.

The president added that Uruguay has its own position on the problem, emphasizing that the stance of Fidel Castro and his regime is appropriate for the eighties. For them the world has not changed. This is always negative for a political leader and a chief of state.

Mexico To Attend Drugs Summit

PA0412042191 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 3 Dec 91

[Report by Guillermo Rodriguez and Fabio Callejas]

[Text] Cartagena—Mexico has decided to join discussions on the struggle against drug trafficking to be held next year during the Cartagena II summit. These talks will be held with the participation of the United States.

The Latin American countries agreed on mechanisms that will allow them to present a common stand at the meeting. Presidents Carlos Andres Perez of Venezuela, Jaime Paz Zamora of Bolivia, Alberto Fujimori of Peru, Rodrigo Borja of Ecuador, Carlos Salinas de Gortari of Mexico, and Cesar Gaviria Trujillo of Colombia came to this decision.

The U.S. Government suggested Mexico's participation in the meeting that is to be held in mid-February 1992 at the initiative of the Andean countries.

Fujimori, Borja Meet

PA0412125891 Lima Global de Television Network in Spanish 0100 GMT 4 Dec 91

[Report by Oscar Bravo from Cartagena, Colombia]

[Text] Good evening Peru, it is exactly 2020 here in Cartagena de Indias. This is a scoop from the "Direct Line" newscast: The first meeting between President Alberto Fujimori and his Ecuadoran counterpart Rodrigo Borja ended only five minutes ago.

After meeting for two hours, the dignitaries said they had a direct discussion. The most important thing to highlight was the qualitative progress achieved. Alberto Fujimori voiced his gratitude for the acceptance of his dialogue proposal. President Borja said that it was a friendly, important, and historic meeting. It is the first in the entire history [words indistinct]. Further meetings will be held whenever necessary.

Foreign Minister Augusto Blacker Miller and Ecuadoran Foreign Minister Diego Cordovez attended the meeting. They presented positions and ideas and discussed the friendship between the two countries, President Fujimori said. He announced that the military leaders of the two countries will meet with the same spirit of friendship and cooperation.

Borja said that great progress was achieved. The two presidents were very cheerful and made statements to the media. Fujimori expressed the hope that the next presidential meeting will be held before 15 January, the date when the Rio Protocol was signed.

President Fujimori said that he will expedite the intensification of bilateral relations. He called for the solution of differences through prudent means within a legal framework. He pointed out that they will try to create an atmosphere of trust and detente with the smallest expenditure on weapons. Instead of weapons, we should develop common aspects, such as the Puyambo-Tumbo projects, he added.

The Peruvian president invited the family of President Borja to visit Machu Picchu. Fujimori added that he made the invitation to reciprocate Borja's invitation to Susana Iguchi Fujimori and his four children to visit his country. The invitation was immediately accepted by the Ecuadoran president who voiced his joy for his family's upcoming visit to our country.

Borja said that this was an important dialogue, but admitted there were friendly disagreements. Alberto Fujimori said that new and better times will come, despite these friendly disagreements.

Journalists, after witnessing an effusive handshake and embrace between the two dignitaries, which is a very unusual sight at international meetings of this nature, applauded to close this meeting between the dignitaries of Peru and Ecuador.

History has marked 3 December as the date for the Borja-Fujimori summit, for the Peru-Ecuador summit here in Cartagena de Indias.

Cuba

U.S. Haitian Policy Called 'Hypocritical'

PA0412043891 Havana Radio Havana Cuba in Spanish 0100 GMT 30 Nov 91

["Our America" commentary read by Manolo Ortega]

[Text] A wave of exiled Haitians ply the waters of the Caribbean towards an uncertain destiny. Only a few days ago, we analyzed this problem that is taking new turns, turns that are delicate and that carry unpredictable consequences. Meanwhile, there are no foreseeable solutions to this problem.

It is valid to insist that this massive flight of Haitians is a direct result of the coup d'etat against constitutional President Jean-Bertrand Aristide and the economic embargo decreed by the OAS to respond to a coup d'etat staged by military officers headed by General Raoul Cedras.

Approximately 6,000 people have left the country due to a lack of food, medicine, fuel, and other basic elements needed to live. This, together with the de facto authorities' violent repression, which has already resulted in close to 1,500 deaths, are very valid reasons to justify the exodus.

Regarding immigration, the United States is applying a hypocritical policy that is based upon the most complete discrimination, as it turns its back on Third World persons who request asylum. Exceptions to this policy are made only when the White House's political interests deem it advisable. Washington has rejected and returned thousands of Haitians to their country of origin, while it keeps many others adrift in Coast Guard vessels in the middle of the sea, awaiting who knows what decision, regardless of the consequences.

This is the selfish attitude of an immensely rich country. What has truly happened is that hypocrisy and double standards have once again proven to be the true face of U.S. authorities. During the past three decades, they have encouraged, in every way possible, the illegal departure of Cuban citizens as a means to discredit the government of this island.

Haitian refugees have been treated differently. This has even prompted criticism by some U.S. congressmen who have described the U.S. action as racist and vicious.

Close to 1,000 Haitians are already in Cuba's Punta de Maisi and Baracoa at this moment. We could ask: Did they choose to come to Cuba? We know they did not, since the chosen destiny is the United States, where they will seek jobs that will enable them to send dollars to Haiti to help alleviate their families' extreme poverty.

It is also well known that only because of accidents and bad weather conditions, crowded and unsafe vessels will get close to Cuban coasts. Closely studying the situation—a situation that could benefit its policy of rejection—the Pentagon is hastily building an emergency camp at Guantanamo Naval Base, Cuban territory that has been illegally occupied by the United States, to lodge Haitian refugees, while the White House asks various Latin American countries to receive them. It is the right time to reiterate that the United States occupies Guantanamo Naval Base against the will of the Cuban people, thus making U.S. activities there illegal.

It would be appropriate for the Pentagon to build emergency camps in Florida until it can find a definite location for the Haitians who flee their country. Currently the U.S. Government is arresting Haitians in international waters. Meanwhile, despite its meager economic resources, Cuba rescues them and lends them a hand. This is a humanitarian action that has been carried out before.

However, it is well known that Cuba is being subjected to a harsh U.S. blockade and an involuntary one by the Soviet Union. These blockades have diminished Cuba's monetary reserves and national resources. Consequently, Cuba can only give Haitian refugees the minimum that is required to guarantee their survival.

U.S. Guantanamo Camps Insufficient for Haitians

FL0312131991 Havana Tele Rebelde Network in Spanish 1200 GMT 3 Dec 91

[Text] The U.S. Navy has admitted that the installations built for the housing of Haitian refugees at the Guantanamo Naval Base in eastern Cuba are insufficient. Each day more Haitians arrive at the camps. Just this past weekend, U.S. Coast Guard patrol boats picked up 563 Haitians on the high seas, where their fragile boats were in route to Florida.

According to the State Department, the tent city at the Guantanamo Naval Base already houses more than 3,000 Haitian refugees, a number which exceeds the capacity previously projected.

Additionally, Jean-Jacques Honorat, prime minister of the de facto Haitian Government, has admitted that he is in favor of postponing the elections scheduled for 5 January and facilitating negotiations with deposed President Jean-Bertrand Aristide.

U.S. Views Expanding Camp

FL0312160291 Havana Tele Rebelde Network in Spanish 1324 GMT 3 Dec 91

[Text] The U.S. Defense Department is contemplating expanding the capacity of temporary shelters built a week ago at the Guantanamo Naval Base in order to house Haitians fleeing the violence in their country. A U.S. military spokesperson said that new tents and installations are needed to house up to 12,500 Haitians at this enclave located in southeastern Cuba.

The exodus of Haitians to Florida has increased in the past weeks due to the harsh repressive measures implemented in a reign of terror in Haiti since the miltary coup in September. More than 3,000 Haitian men, women, and children are already being housed at the facility. Another 2,200 are being held aboard U.S. Coast Guard patrol boats, waiting to be transferred to the Cuban territorial base which the United States illegally occupies.

Commentary on Rio Group's Call for Reintegration

FL0312220791 Havana Radio Rebelde Network in Spanish 1255 GMT 3 Dec 91

["Our Opinion" commentary read by Orlando Contreras]

[Text] The fifth summit conference of the so-called Rio Group concludes today and, according to dispatches received this morning from news agencies, a final document will be issued within the next few hours. According to these dispatches, there was a consensus and general focus on, and I quote: reintegrating Cuba into the Latin American community. I would like to comment on this matter.

Cuba was excluded from the Latin American community, to which it naturally belongs—obviously we are not located in Asia or Europe—at the beginning of the sixties when U.S. pressures, which today the whole world accepts as a fact, forced the Latin American countries, with the honorable exception of Mexico, to break relations with Cuba. Mexico has never accepted such pressures, which have a damaging impact on the sovereignty of a free country.

The OAS, at that time a genuine colonial instrument of Washington, enforced this political, economic, and diplomatic apartheid against our country. Since then, the situation has changed radically. Cuba currently has diplomatic, consular, cultural, and economic relations with the great majority of Latin American countries.

In the eighties, when virtually no one spoke out against the tragedy of the foreign debt, Cuba led the world in denouncing this unresolvable scourge. Fidel had previously done this during a visit to Chile a decade earlier.

Cuba has waged another energetic campaign in favor of Latin American integration. At the inaugurations of Ecuadoran President Rodrigo Borja and Mexican President Carlos Salinas de Gortari, the Cuban president insisted that the future of our countries depends on integration, which would include all the democratic and national sectors, without excluding Latin America's private businessmen so long as they are not mere front men for Washington's interests.

This year in Guadalajara, at the Ibero-American summit, a stance favoring ideological and political diversity in Latin America was adopted, contrary to the prevailing views in the OAS. Later, on the Mexican island of Cozumel, this principle was reiterated.

Fidel has insisted in international fora that our country is one of the countries most capable of assuming a process of genuine Latin American economic integration. The Rio Group's call for the reincorporation of Cuba into a united Latin America, through economic integration within this accepted framework of political and ideological diversity, is not something new, much less a reason for obsession or concern on our part.

Of course, Cuba, as a sovereign country which adapts its foreign policies to the principles of the UN Charter—which as everyone knows, grants self-determination and noninterference in internal affairs—cannot accept that foreign countries should dictate the rules to be followed in our internal policies. This is the sole responsibility of our people and our legitimate authorities.

If the head of government of some Latin American country proclaims himself to be a friend of everyone, but an ally of the United States, this is his problem, and the people of his country must either accept or reject this. But if he tries to dictate political and ideological rules to other sovereign countries, he is violating the principles of the UN Charter, an old Latin American tradition which was only interrupted under pressure from Washington, and he cannot hope that this will be reciprocated by a nation which by itself won the right to its independence and sovereignty.

Cardenas, Ortega Criticize U.S. Embargo

PA0412042691 Havana Radio Havana Cuba in Spanish 1400 GMT 1 Dec 91

[Text] Cuauhtemoc Cardenas, leader of Mexico's Party of the Democratic Revolution has stated in Caracas that Latin America should demand that the United States lift the economic blockade against Cuba and that all foreign troops leave that Caribbean island.

Cardenas noted that the Cuban people should be allowed to solve their problems without any interference, just as all countries ask others not to interfere in their internal affairs.

Meanwhile, former Nicaraguan President Daniel Ortega has told the Argentine newspaper PAGINA 12 that elections will not solve Cuba's problems, because what the United States wants is to destroy the Cuban Revolution, President Fidel Castro, and the Communist Party of Cuba.

Ortega emphasized that to have any moral authority, those who recommend changes to Fidel Castro must first publicly demand that the United States put an end to the economic blockade on Cuba.

Bilateral Economic Talks Begin in Mexico City

FL0312230691 Havana Radio Progreso Network in Spanish 1725 GMT 3 Dec 91

[Text] Economic and trade cooperation between Cuba and Mexico will be the subject of bilateral talks which began in Mexico City today. Ernesto Melendez, minister president of Cuba's State Committee for Economic Cooperation, has stated to the press that the purpose of the meeting is to reach an agreement with Mexico's National Council for Science and Technology on a cooperation program for 1992.

Havana Vigilance Group Created To Prevent Crime

FL0312202991 Havana Radio Progreso Network in Spanish 1725 GMT 3 Dec 91

[Text] A provincial Unified Vigilance and Protection System group has been created in Havana as part of the measures adopted in the capital to fight crime. The president of this group, Glenda Azoy, member of the Central Committee of the Communist Party of Cuba [PCC] and member of the PCC in Havana City, reminded us that the purpose of this system is to carry out a coordinated action among the forces responsible for security, protection, and crime prevention.

Raul Castro Awards Banner to Reserve Regiment

FL0412025791 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 4 Dec 91

[Text] Army General Raul Castro Ruz, minister of the Revolutionary Armed Forces [FAR], has awarded the combat banner to a regiment of Red Berets [reservists] in the city of Santiago de Cuba. This is the first time this banner has been awarded to this type of unit. It recognizes the results achieved by these troops in fulfilling the missions entrusted to them and their defense preparation tasks. The second secretary of the Communist Party of Cuba [PCC] stated that this regiment was not selected by chance to receive the combat banner on the anniversary of the historic events of the Granma. He then explained how much unity means, in consolidating the bulwark that Santiago de Cuba has always represented for the revolution.

Raul stressed the political training and high level of awareness of the Red Berets, giving as an example the worthy attitude shown by the reservists in a mountain unit during their last study meeting under field conditions. The minister of the FAR urged the regiment's members to honorably fulfill their pledge to defend the nation, the revolution, and socialism, which was made after they received the combat banner. He responded positively when they all raised their arms holding guns.

The closing words were given by Esteban Lazo Hernandez, member of the PCC Politburo and first party secretary of the PCC in Santiago de Cuba Province. He reiterated his confidence that this banner will always accompany this unit, along with the national flag, for victory in combat.

Transportation Limitations, Shortages Explained

FL0412025191 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 4 Dec 91

["Focus" commentary]

[Text] The start of the final month of the year forces us to again think about the situation we are facing with transportation. It is necessary to explain very realistically what is happening with our current transportation capabilities so that we can understand why they cannot be increased at this time.

Because it is not only a question of calling on people to travel only when absolutely necessary, or even to postpone their desires to go out or to respond to family invitations which are all natural and reasonable at the end of the year, as has been traditional. These calls respond to a specific problem: There are no material resources for this. In fact, what is determining these limitations is not matters of an organizational or administrative nature—regardless of any cases of incorrect treatment—nor subjective problems. It is a question of the vulnerability caused by our traditional suppliers' not meeting their commitments. This has created enormous imbalances in many of our programs, but especially in the basic elements that affect our standard of living, because of the irregularity in deliveries which we must confront in very complicated circumstances, when we are also taking on the reinforced aggression of a criminal embargo by the United States, which hinders our access to any alternative sources.

For example, the lack of spare parts and additives, and the serious impact on the availability of fuel have caused a 25-percent reduction during this year in transportation capacity in general, which has meant an inability to transport 545 million passengers nationwide. So that you may understand, the situation right now is such that out of the total of 7,100 buses the country has, more than 3,000 are currently out of service for lack of spare parts, additives, tires, etc. As of October, for Cuban buses alone, it was necessary to reduce inter-provincial trips by almost 41 percent, while railroad capacity dropped by one fifth from what we had up until last year. Reductions in air travel have exceeded 25 percent.

These facts can provide a view of the extraordinary circumstances we are facing right now, for which the country is seeking alternatives. But we know that our current needs are above all temporarily conditioned by a very objective reality. The well-being of all is the revolution's reason for existence. All the revolution's efforts have always been directed toward this goal, with complete conviction in the power of our habits and customs, which it has tried to satisfy as much as possible.

But today, complete understanding of the difficult times we are experiencing is needed, and even when the demand is greatest to bring into play our inventive ability to handle many of these matters, it is not possible to attend equally to all needs under such exceptional circumstances and with such severe limitations, as if nothing had changed.

Fuel-Water Emulsions Used in Ciego de Avila

FL0312231491 Havana Tele Rebelde Network in Spanish 1800 GMT 3 Dec 91

[Text] As part of the work being done to conserve fuel, Ciego de Avila Province shows the greatest advances in the use of diesel-water and gasoline-water emulsions, as well as in the use of magnetizers. In this regard, they are working to emulsify with water all the fuel that is used in the province by the end of the year. Integrated Construction Enterprise No. 1 of the Ministry of Construction and the Ministry of the Sugar Industry have the most experience in the province, thanks to the efforts of their innovators. Right now, for example, the fuel-water emulsions are being tested in various kinds of equipment belonging to the Ministry of the Sugar Industry, and it is expected that the ministry will soon have 90 percent of its emulsifiers installed.

Dominica

Government Restricts Haitian Refugees Entry

FL0312165491 Bridgetown CANA in English 1520 GMT 3 Dec 91

[Text] Roseau, Dominica, Dec 3, CANA—The Dominica Government, faced with a housing problem, has turned down offers by private individuals to accept a limited number of Haitians fleeing their politically troubled country. The government has also said that it would be difficult for individuals to accept Haitians into their private homes. Prime Minister Dame Eugenia Charles in a radio broadcast said that the matter had been discussed by Cabinet, and it was felt that the island was not able to provide accomodation for the Haitians fleeing their country because of the present housing shortage here.

At least two organisations here had urged the government to accept the Haitians on humanitarian grounds. Economist Joey Peltier, the coordinator of the Small Project Assistance Team, (SPAT) said he was disappointed at the position adopted by the government.

"I'm terribly disappointed at the response of the government in terms of providing some relief and some refuge to the Haitians, who at this critical moment of their history and of their suffering, need that kind of assistance and relief," Peltier said. He said it was unfortunate "that the government has seen the need to restrict Haitians from coming here, whereas other governments in the Caribbean have extended a helping hand and a welcome to the Haitians."

"We ought to be able to find some place in Dominica, not necessarily a reservation like what the British did to the Caribs....," he added. Peltier said that the Haitians could be accepted as migrant workers for the agriculture sector now facing a labour shortage.

Haitians have been fleeing their country by the boatload after the military staged a successful coup on September 30 against the government of President Jean-Bertrand Aristide, the first democratically elected government there.

Government Refugee Decision Branded 'Cowardly'

FL0412014091 Bridgetown CANA in English 2104 GMT 3 Dec 91

[Text] Roseau, Dominica, Dec 3, CANA—The opposition Dominica Labour Party [DLP] has branded as cowardly the government's decision not to accept Haitian refugees here.

DLP leader Michael Douglas accuses the Eugenia Charles government of immoral and cowardly behaviour. He complained that Dominica had turned its back on Haiti in that country's hour of need.

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Prime Minister Dame Eugenia Charles in a radio broadcast said that the matter had been discussed by Cabinet, and it was felt that the island was not able to provide accommodation for the Haitians fleeing their country because of the present housing shortage here.

"On the one hand, we profess to be in solidarity with and hold the greatest sympathy for our brothers in Haiti and the wider diaspora. On the same hand, we profess to uphold the strongest democratic standards, and on the other hand, when an opportunity is given to us to give tangible assistance by inviting the Haitians who have this serious problem in their country here, we refuse to allow this to happen," Douglas remarked.

"....We need these people in our own enlightened self-interest for boosting agricultural production and productivity at this time; we need these people to populate our country so that business enterprise can thrive and have a reasonable chance in a situation of growing population," Douglas asserted.

Meanwhile, the National Workers Union [NWU] here is suggesting that Haiti should be allowed to settle the political crisis resulting from the September 30 military coup on its own. The NWU, in a statement, said foreign intervention is out of the question. It called on the Organisation of American States (OAS) to lift the economic sanctions imposed on Haiti as a result of the ouster of President Jean-Bertrand Aristide.

"We are calling on the outside forces to unconditionally remove the embargo on Haiti. This embargo has added more strife, poverty, and economic hardship to this distress, which is a major cause of Haitians fleeing from their country to seek refuge," NWU President Rawlins Jemmot said in the union's statement. "We are calling on the OAS and the United States to remove all embargoes on countries in the Caribbean and the Americas, which include Cuba and Haiti," Jemmot added.

Haiti

Honorat Calls For Negotiations, End of Embargo

FL0312194591 Port-au-Prince Radio Metropole in French 1400 GMT 3 Dec 91

[Text] Over two months have passed since this grave crisis began in Haiti. In a Radio Metropole interview, Jean-Jacques Honorat, the head of the provisional government, said that only a negotiated solution can get the country out of this deadlock. The prime minister called again for the lifting of the embargo. Honorat also favors the resumption of negotiations which were stalled in Cartagena.

Also in a Radio Metropole interview, U.S. Ambassador Alvin P. Adams called on Haitians to find a quick solution to the crisis. While refraining from interfering in Haitian affairs, Alvin P. Adams favors the resumption of the Cartagena negotiations, thus rejecting in a diplomatic manner the idea of new elections in the country. Ambassador Alvin P. Adams said that elections cannot solve the Haitian problem or change the position of the international community toward Haiti.

Aristide Supporters Allegedly Arrested in Jacmel

FL0312214791 Port-au-Prince Radio Galaxie in Creole 1100 GMT 3 Dec 91

[Text] According to AFP, citing a well-informed source, the police arrested several alleged partisans of ousted President Jean-Bertrand Aristide over the weekend. These arrests were supposedly the consequence of a fire, suspected to be of criminal origin, that broke out on the night of 27-28 November in the office of the director of the Lycee Pinchinat in Jacmel, a school official said. The fire allegedly was set to prevent the school from operating. A few days earlier, a pro-Aristide demonstration was staged in this city by the students of Lycee Pinchinat, who were demanding the return of Father Aristide. A second demonstration was scheduled for last Friday.

Among those arrested are Alix Leroy, one of the assistants to the mayor. Many others, including Jacmel Mayor Claude Bernard Craan; and Gabriel Bertrand, second assistant to the mayor; have gone into hiding following these arrests. Correspondent Luc Francois, of Radio Inter in Jacmel, was also arrested, but was released after only a few hours in jail.

Demonstrations For, Against Aristide in Jeremie

FL0412020091 Port-au-Prince Radio Nationale in Creole 1400 GMT 3 Dec 91

[Report by Jeremie correspondent Luckner Laguerre]

[Excerpt] Organizations close to deposed President Jean-Bertrand Aristide in Jeremie signed a communique expressing their disagreement with senators, deputies, and political leaders who say negotiations are not possible on 29 November if there is still an embargo against Haiti. They say, in fact, that they support the embargo. These are not the only organizations, however, who have expressed their position in Jeremie.

Yesterday at around noon, a demonstration was organized, opposing the return of deposed President Jean-Bertrand Aristide, the embargo, necklacing, and certain religious authorities in the city. It is significant that although many leaflets asking the people not to attend the demonstration, not to break car windows, and not to flatten car tires were being distributed in opposition to the organizers of this demonstration and the people who would participate in it, the demonstration nevertheless took place.

We saw placards with the following slogans: Up with the Army that puts things right in the country, Down with Aristide's return to Haiti, Down with necklacing, and Down with embargo. We heard drum and bamboo music, as well as slogans directed against religious authorities in Jeremie. We saw photocopies of checks stuck on placards. [passage omitted]

Senate Votes on Creation of Electoral Council

FL0312205191 Port-au-Prince Radio Nationale in Creole 1400 GMT 3 Dec 91

[Excerpt] The Senate has been working on developing a law to govern the creation and operation of territorial communities, including the formation of a Permanent Electoral Council. The Senate completed a portion of this law yesterday. Correspondent Jean-Marie Ferrari has the following report.

[Begin recording] [Ferrari] The Senate is ready to submit the law on communal section communities to the executive. This law is very important for the establishment and operation of territorial communities, and will govern the process of creating a Permanent Electoral Council. According to Senate President Dejean Belizaire, this law was approved some time ago, but required the addition of amendments.

[Belizaire] There are several laws on territorial communities. There is a law on communal section communities. There is a law on municipal communities. There is a law on departmental communities. We have completed the fundamental law on communal section communities and will present it to the executive today. This law will also cover the creation of the Permanent Electoral Council. This law was approved a long time ago by vote in the

lower chamber. We subsequently also approved the amendments which were submitted to a vote in the lower chamber.

[Ferrari] Let us point out that the executive deposited this outline law a week and three days ago. According to the prime minister, the Permanent Electoral Council must be formed by 5 December so that elections can be held on 5 January, and so President Nerette can be released from power on 8 January. [passage omitted] [end recording]

Deputies Concerned Over Hunger Strikers

FL0312212791 Port-au-Prince Radio Galaxie in French 1330 GMT 2 Dec 91

[Text] The Chamber of Deputies expressed concern yesterday about the indifference of the humanitarian organizations toward the four young men on a hunger strike in front of the OAS premises in Port-au-Prince, and also toward the 19 persons who have been occupying the Canadian Consulate since 20 November. The Chamber of Deputies asked for the intervention of the International Red Cross in assisting these young people.

It is to be recalled that the hunger strikers, members of the Association of Young People's Power of Haiti, are hoping to obtain the lifting of the OAS embargo against Haiti.

The 19 young people occupying the Canadian Consulate were refused political asylum by Ottawa. A similar appeal to Venezuelan authorities still remains unanswered.

Trinidad and Tobago

Official Denies Muslim Group Legal Costs Quote

FL0412011591 Bridgetown CANA in English 2037 GMT 3 Dec 91

[Text] Port-of-Spain, Trinidad, Dec 3, CANA—Attorney General Anthony Smart has denied that the British Privy Council stated how much the Trinidad and Tobago Government is to pay in legal costs to a Muslim group which staged a coup attempt here last year July.

Smart said he expects the order for costs to be made in "a few months time," after lawyers who argued a successful appeal on behalf of members of the Jamaat al-Muslimeen, have presented their bills to the local court registrar.

On Monday, the TRINIDAD GUARDIAN newspaper reported that the law lords had ordered the government to pay a million dollars (one TT dollar = 23.5 U.S. cents) for a constitutional motion and a writ of habeas corpus, which were filed in the high court and appeal court here and for the Privy Council appeal.

"If an order for cost is made, the Privy Council wouldn't say what the amount of the cost would be," Smart said in an interview with Prime 106 FM radio station. "The lawyers for the Jamaat would have to send a bill to the registrar of the court—a detailed bill—and then the lawyers for the state would look at that bill and argue figures proposed for each item for works done in the proceedings...The lawyers for the state would have an opportunity to go through that bill...and the registrar of the court would sit and adjudicate on those discussions and at the end of the day the registrar would make an order as to how much the cost would be."

The Privy Council, comprising Lords Bridge, Ackner, Templeman, Lowry, and Cassey, on Friday ordered the local civil court to hear the Muslimeen's two motions which contend that they should be set free since they were granted a presidential amnesty sometime during the six-day siege. Both the high court and appeal court had ruled that the Muslims' rights were not infringed and that they could raise the issue of the amnesty as a "plea in bar" when the matter reached the assizes.

The 113 Muslims, led by Yasin Abu Bakr, contend that the treason, murder, and kidnapping charges against them were illegal, since the amnesty given by acting President Emmanuel Carter had absolved them from criminal prosecution.

The coup attempt resulted in a hostage crisis involving Prime Minister Arthur Robinson, cabinet ministers, other parliamentarians, and telelvision workers. When the Muslims surrendered unconditionally to the Army and police on August 1, two dozen people had died and Robinson was nursing a gunshot wound in the leg, inflicted when he refused the rebels' order to sign a document.

Lawyer for the state, George Newman, had argued before the Privy Council that the amnesty was signed under duress. Smart said the hearing into the merits and demerits of the amnesty is expected to start in January.

Costa Rica

Italy Agrees To Forgive $12.9 Million Debt

PA0412005891 Mexico City NOTIMEX in Spanish 2355 GMT 30 Nov 91

[Text] San Jose 30 Nov (NOTIMEX)—A presidential spokesman announced on 30 November that the Italian Government has agreed to begin the necessary arrangements to forgive a $12.9 million debt owed by Costa Rica. Italy granted the loan to Costa Rica in 1985 to be used for the construction of a dry dock.

The source explained that the decision was made after Costa Rica had refused to continue payments on the loan because, according to the Office of the Comptroller General and the Attorney General's Office, it was not signed in accordance with the appropriate legal procedures.

Earlier this week, First Vice President German Serrano met in Italy with Prime Minister Guilio Andreotti and other Italian officials to solve the problems between the two countries.

The Presidency officially stated that starting now, relations between both countries will begin to normalize. As of last year and as a result of Costa Rica's moratorium on its debt payments, Italy decided to suspend all the direct aid it normally provided; that aid had amounted to approximately $100 million annually.

It was reported that Italy has conditioned its decision to forgive the debt and convert it into a donation on Costa Rica's resolution of a few legal aspects concerning the loan. The loan was approved and granted under the administration of Luis Alberto Monge. It was to be used to finance the construction of a dry dock in Puerto Caldera, on the Pacific coast. The project was completed despite the fact that the Legislative Assembly had not approved any formal agreement on it, something that is required by law.

El Salvador

U.S., Soviet Support for Cease-Fire Noted

PA0412041891 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 3 Dec 91

[Station commentary: "A New Tool for Peace"]

[Text] The joint call by the governments of United States and the USSR for a definite cease-fire to be signed before the end of the year is a timely show of support directed at making 1991 the year of peace for the Salvadoran people.

This dream had been destroyed by the actions of economic and military groups that oppose the negotiations. With this gesture by these two countries, which have great international influence, we feel more optimistic that the national wish will come true in the coming days.

This optimism is the result of a similar gesture that these same countries made in August, with the signing of the (Baker-Besleman) communique. The document was the go ahead for UN Secretary General Javier Perez de Cuellar to seek a way to break the stalemate in the negotiations. This support was a basic element in bringing about the New York accords, which state that it makes no sense to continue the war.

Within this context, the Farabundo Marti National Liberation Front [FMLN] unilaterally suspended its offensive military operations, expecting reciprocity from its counterpart. The response, however, was an increase in violent activity with serious political consequences. Obviously, this type of response did not come from President Alfredo Cristiani, but from civilian and military groups, which have not been able to accept the new reality created in New York.

Nevertheless, the pressure from these groups to a certain extent has obliged President Cristiani to work toward signing the cease-fire before the Christmas holidays. Thus, the gesture by the United States and the USSR becomes a new tool that enables the UN secretary general to take steps toward giving a final and satisfactory boost to the negotiations.

There is now talk of a verified cease-fire, which would mean the undelayed implementation of all the constitutional reforms, and the dismantling of the Salvadoran dictatorship. All the forces supporting the negotiations, including sectors within the government, the Armed Forces, and the Nationalist Republican Alliance, hope that this U.S.-Soviet gesture sends a clear sign that will make the groups opposed to the negotiations reconsider their posture. Peace is near and the FMLN will make every effort to allow the Salvadoran people to celebrate Christmas amid tranquility.

Massacre Inquiry Board Coordinates Efforts

PA0412173391 San Salvador DIARIO LATINO in Spanish 2 Dec 91 p 2

[Text] Delegates representing the United Nations Observers for El Salvador, the Human Rights Commission, the District Attorney's Office, the San Francisco Gotera First District Judge, the Archbishopric Legal Assistance Office, and the Medical Legal Institute are meeting in San Salvador to discuss matters related to the El Mozote massacre exhumations and other exhumations to be carried out in the surrounding area.

According to reports, the delegates will discuss issues such as the exhumation method to be used and which Medical Legal Institute personnel will participate. In addition they will determine the safety measures to be implemented during the operation. Some of the organizations involved have said the area where the massacre victims are buried is heavily mined. Military authorities have been asked to provide personnel specially trained in detecting and deactivating mines.

The San Francisco Gotera judge had requested that the defense minister provide a list of all military personnel who were in El Mozote or surrounding regions when the events took place from 1981 to 1983. According to the judge, the list is essential to proceed with the investigations and to establish those responsible for the cold-blooded massacre of peasants that included men, women, and children.

A spokesperson from the Legal Assistance Office announced that once the investigation has started, it will undoubtedly explain the whereabouts of numerous persons who were reported missing by relatives who survived the massacre.

It was also said that such an act, by its very nature and the number of victims involved, cannot remain covered by a shroud of mystery or protected by immunity, especially now that they are talking about peace. According to the spokesperson, "Justice must be done with respect to this case, regardless of who is involved."

Communique Charges Armed Forces With Attacks

PA0312194091 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 2 Dec 91

[Communique issued by the 6th Military Zone of the National Army for Democracy in Usulutan Department on 1 December]

[Text] We report to our people and to the international community that:

1. Despite the fact that all troops of this military zone have strictly observed the cease-fire, the Armed Forces have continued their provocations and repressive actions against the civilian population.

2. The Atonal Battalion carried out a repressive action against the people and captured Rafael Romero Reyes, Manuel Serpa, Antonio Serpa, and Antonio Benavides near San Francisco Javier. Their whereabouts are still unknown.

3. The Lempa and Jucuaran Battalions of the 6th Brigade stationed in the Usulutan Department have carried out offensive troop movements from Santa Elena to the areas under our control since 28 November. Those battalions have used artillery on heavily populated areas.

4. Since 26 November the Atonal Battalion has been raiding San Francisco Javier and San Agustin Tres Calles, which are areas traditionally under FMLN control, causing clashes that have resulted in the Atonal Battalion suffering 10 casualties.

5. In the last few days the Armed Forces have evicted over 70 families who had occupied lands in the Las Aranas community, Usulutan Department. These actions do not contribute to the efforts of our army and other political forces to find a negotiated solution to the conflict.

6. We will maintain our decision to not engage in offensive operations. Any casualties will be caused by the warlike attitude of the government and the Armed Forces.

[Signed] Command of the National Army for Democracy in the Southeastern Region.
Lieutenant Colonel Mario Alberto Misango, El Tigre Zone.
Lieutenant Colonel Roger Blandino Nerio, Jucuaran Zone.
Lieutenant Colonel Jose Eugenio (Silvian) Hernandez, Tres Calles Zone.

Rebels on Situation After 13 Days of Truce

PA0312175391 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 2 Dec 91

[Communique issued by the Joint General Command of the National Army for Democracy, Guazapa Region, from Guazapa Hill on 30 November]

[Text] The Joint General Command of the National Army for Democracy [END] for the Guazapa Hill 1st Military Region reports to the people of El Salvador and the world the following:

1. Thirteen days after the END declared a unilateral truce it continues to be respected in a disciplinary fashion in the 1st Military Region.

2. On the other hand, responding to pressure from extreme right minorities and to an antipatriotic military logic, the Cristiani government and the Salvadoran Army High Command have used the truce to launch 23 operations in seven departments, including the north sector of Guazapa Hill, where they have sent units from the Atlacatl and Libertad battalions and the 1st Infantry Brigade. This is a clear provocation in areas under our control. The antipatriotic objectives of this provocation is to make us break the unilateral truce decreed by our General Command and to boycott the agreements reached at the negotiating table.

3. In view of this situation, the Joint END Command for the Guazapa Hill 1st Military Region hereby reaffirms its decision to continue respecting the General Command's order for a unilateral truce as an example of good will and as evidence of our desire to secure a definite cease-fire as soon as possible to start building a lasting peace and the social justice the Salvadoran people want so much.

4. We demand that the Cristiani government and the Army High Command ignore the pressure groups, which are a minority, and act responsibly and patriotically by adopting measures to reciprocate the END's unilateral truce, thus sparing the lives of Salvadorans who would die as a result of inhumane responses to the gesture made by the END General Command. The government and the Army High Command are responsible for Army

casualties that occur as a result of attacks on our forces and as a result of a possible breakdown of the unilateral truce and the negotiations.

5. The Joint Command of the 1st Military Region urges the people of El Salvador and the world to support the unilateral truce now being threatened by the actions of the government and the Armed Forces; to support ending the war, as the FMLN has, for the sake of peace and negotiations; and to support a broad national agreement for a mobilization against recalcitrant minority sectors.

6. Finally, we reaffirm that the arms of the Farabundo Marti National Liberation Front [FMLN] are firmly in our hands in favor of society and the workers. We reject charges made by the government and Armed Forces that a series of attacks carried out by their death squads were done by the FMLN.
[Dated] 30 November 1991
[Signed] Joint Command of the END of the 1st Military Region, North Sector, Guazapa Hill

Rebels Reaffirm Truce Despite Army Offensive

PA0412031891 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 30 Nov 91

["Communique" issued by the Joint Command of the Anastacio Aquino Paracentral Front of the National Army for Democracy on 29 November—place not given]

[Text] The Joint Command of the Anatasio Aquino Paracentral Front conveys to the local and international community the following information:

1. The 5th Infantry Brigade of San Vicente and the [name indistinct] continue their constant attacks, such as the one initiated on 28 November in El Marquezado sector, San Vicente Department, in which they raided territories under our control. The goal of these attacks is for the FMLN [Farabundo Marti National Liberation Front] to break the unilateral truce decreed by our general staff. They have also continued their operations in the vicinity of the Chichontepec Volcano where they have been firing mortars from the Siboa sugar mill toward the Santa Cecilia farm and the surrounding areas, thereby endangering the lives of many civilians who were picking coffee beans or engaged in their daily chores. Also on 28 November, the [name indistinct] initiated a combing operation of the southern sector of Zacatecoluca, covering all of San Carlos Lempas and other areas inhabited by resettlers. Moreover, they currently continue to patrol and frighten the resettlers in Calderas in Apastepque, on the outskirts of Santa Clara, in San Vicente.

2. On 27 there was a report of the machine gunning of a private vehicle that was travelling near Bascula along the coastal highway. As a result of this attack, several civilians were wounded. Likewise, on 28 November it was learned that a bus had been burned in San Juan Nonualco, La Paz Department.

3. FMLN wishes to state that we do not acknowledge any ties with those incidents.

4. We hold Colonel Carlos Herrarte and Colonel Jaime Guzman Morales responsible for the aforementioned terrorist actions. Besides, the military units have organized death squads and instigators who attack the civilian population. The leaders of one of these gangs are: Antonio Guevara, Miguel Alvarado, and Justo Villegas, all former soldiers with links to command of the 5th Infantry Brigade. Likewise, Col. Morales, in the Nonualco sector, has organized gangs through which he harasses the Santa Maria Ostuma community. These actions took place on 17 November.

5. We express our concern about the High Command's attitude of desperately looking for actions that will break our will for peace, which is expressed in our fulfilling the unilateral cease-fire decreed by the FMLN.

6. We call on all the nation's sectors that want to attain peace through social justice and that want the end of militarism, to join efforts to obtain the immediate signing of the peace agreements on the negotiating table and thereby end the armed conflict.

[Signed] Joint Command of the Anastacio Aquino Paracentral Front of the National Army for Democracy
[Issued] 29 November 1991

Communique Updates Current Status of Negotiations

PA0412031691 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 30 Nov 91

["Communique" issued by Farabundo Marti National Liberation Front, FMLN—date and place not given]

[Text] To the local and international community:

After long and difficult negotiations, we Salvadorans can at last see imminent agreements that will bring us peace and national reconciliation. Nevertheless, there are sectors of the government and the Armed Forces that are still opposed to peace. These sectors express their fear of the end of the war by launching military operations and attacks that endanger the continuity of the FMLN's unilateral truce, the possibility of promptly arriving at agreements at the negotiating table, and the stability that the nation requires for reconstruction. The fear of peace of these sectors is a direct response to the economic losses that they will sustain when the business they have made of the war ends and when, once and for all, there is an end to their absolute supremacy over the nation. It is a matter of concern that the government continues to respond to these interests and that it has not been able to stop the military operations and the attacks that have been the only corresponding response to the FMLN's unilateral true. To the contrary, they are stubborn and insist on the FMLN's disarmament and demobilization. These points are not contained in the Geneva, Caracas, or New York agreements, or even in the current abridged agenda being negotiated in Mexico.

What are being negotiated are the fundamental problems of the reduction in size and the purging of the Armed Forces, the creation of the National Civilian Police, and the legalization of land holdings; that is, the solution to the problems that caused the war. Until these causes are dealt with, the FMLN's forces will continue to be the only guarantee of obtaining the changes that will allow the Salvadoran people to live in peace and stability and to reconstruct our nation amid democracy.

We call on all Salvadoran sectors and on the international community to responsibly make the necessary efforts to push aside the sectors that fear peace.

UN Helicopter Prevented From Landing in Guazapa

PA0412041991 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 3 Dec 91

[Text] Colonel Francisco Elena Fuentes and [Colonel Eduardo Orellana], the commander of the Atlacatl Battalion, are conspiring against the negotiations and against ONUSAL [UN Observers for El Salvador], and against peace by not allowing ONUSAL helicopters to land in the Guazapa area, a serious act of aggression. Aboard the helicopters were companeros Commanders Chano Guevara and Ramon Suarez, who were returning from Mexico and the cease-fire negotiations.

The return flight had been coordinated by ONUSAL and ONUCA [UN Observer Group in Central America]. The helicopters were prevented from landing due to offensive action in the area where the companeros were to disembark. The report says that this was a clear provocation of our forces, in defiance of the government's negotiating team, perpetrated by Col. Elena and Col. Eduardo Orellana. They militarized four landing sites prepared by ONUSAL for the UN helicopters to prevent the return of the companero commanders.

Despite UN efforts, Col. Elena Fuentes, commander of the 1st Brigade, and the commander of the Atlacatl Battalion, carried out offensive operations. This led to heavy fighting at 1045 with National Army for Democracy troops who were to provide security for the arrival of our companeros in our territories.

Fighting with the Atlacatl Battalion group took place in Platanares Canton, Suchitoto, Cuscatlan. The Atlacatl Battalion troops suffered eight casualties, including dead and wounded, when they tried to move into the UN helicopter landing site.

We hereby report these actions by the Armed Forces, which are the expression of the warmongering sectors of the Nationalist Republican Alliance and the Armed Forces—headed by Cepeda [first name not given], [Colonel Orlando Inocente] Montano, and Col. Elena Fuentes, who oppose the negotiations and seek to provoke a serious incident meant to obstruct a negotiated political solution. These people will be the only ones held responsible for the continuing bloodshed in El Salvador.

We reiterate the willingness of the Farabundo Marti National Liberation Front to continue with the truce and to end the conflict through a negotiated political solution.

FMLN Commander on UN Helicopter Incident

PA0412134691 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 3 Dec 91

[Interview with Walter Funes, Farabundo Marti National Liberation Front, FMLN, commander, by unidentified reporter, via two-way radio; place and date not given—recorded]

[Text] [Reporter] Why did the Armed Forces prevent the landing of the UN observers for El Salvador helicopter carrying our companero commanders from Mexico?

[Funes] We believe these actions are part of the fascist military plan of a sector within the Armed Forces opposed to the negotiations. It was devised to create a dangerous situation that would jeopardize the negotiations. In this case, we must consider the way in which they stopped the UN observers and the FMLN commanders from landing. This is an area where the heaviest operations are taking place. It is a provocation operation against our forces, commanded by Colonel Elena Fuentes and directed at breaking our unilateral cease-fire intentions. Fuentes is one of the leaders of the antipatriotic group. He does not want us to reach a negotiated solution because he was involved in cases, such as the Jesuit murder case, as well as many other well-known incidents. This is why he is not interested in finding a political solution to the war.

[Reporter] Companero, what do you think of the statements made by the United States and the USSR calling for an end to the conflict in El Salvador?

[Funes] We believe these statements constitute an important event, especially now that the Salvadoran peace negotiation process is at an important and delicate stage. It shows the international support for a negotiated political solution to the Salvadoran conflict. It also means the isolation of the antipatriotic sectors within Arena [Nationalist Republican Alliance]; and the Armed Forces, headed by General Cepeda, Colonel Orlando Inocente Montano, and Col. Elena Fuentes, who have clearly opposed and challenged the negotiation process. These statements join our wish for peace and our unilateral cease-fire, which has not been favorably answered by the government of President Alfredo Cristiani and the military command.

We believe that the United States has realized that the money it gave to the Salvadoran Armed Forces did nothing, but make a small group of people rich. It is this group of people that are opposed to a negotiated solution to the conflict. We have clearly demonstrated our wish to reach a final cease-fire before the end of the year. We believe, however, that it is not only the FMLN [Farabundo Marti National Liberation Front] that must

[words indistinct], but international support, such as this statement, is needed. A national agreement is also needed guaranteeing the implementation of the agreements reached at the negotiating table. There is also a need for a national patriotic mobilization of all sectors—including Arena and the Armed Forces—who favor a political negotiated solution.

Lastly, perhaps, we should reaffirm that the FMLN has a firm hold on its weapons, and our society can feel safe and confident that we will attain lasting peace and create a democratic nation.

[Reporter] Thank you Commander Walter Funes for your statements to Radio Venceremos.

Groups Demand San Jose Agreement Compliance

PA2911192091 San Salvador LA PRENSA GRAFICA in Spanish 28 Nov 91 p 58

[Paid advertisement by "Humanitarian Organizations"]

[Text] On 26 July 1990, the Farabundo Marti National Liberation Front [FMLN] and the Salvadoran Government signed the historic San Jose Agreement on Human Rights, which stressed that it was the state's duty to respect and guarantee human rights. The agreement also stated that the government had not been meeting this obligation.

The government promised "to immediately take the necessary measures to avoid any acts or practices detrimental to people's lives, integrity, security, and liberty." It also promised to put an end to the disappearance of persons and give priority to identifying and punishing those who commit these abuses. The government promised to determine how and when political prisoners would be released and to guarantee their freedom of movement in the country, particularly in the cases of those who have been repatriated and those who were removed from their places of origin.

In view of the urgent need to make this commitment a reality and to protect civilians from abuses committed by the authorities, and in light of the judicial branches' ineffectiveness in bringing the responsible parties to justice, it was agreed to establish the Mission of UN Observers for El Salvador (ONUSAL) to verify compliance with the San Jose Agreement.

Now, four months after ONUSAL was installed in El Salvador, the undersigned humanitarian organizations, working to defend human rights in various parts of the country, inform ONUSAL and the international and national communities that the government continues to violate the San Jose Agreement.

From 26 July 1991 to the present, we have registered 154 illegal arrests, five disappearances, and 13 deaths. We have reports of people being subjected to threats, beatings, hoods, and other tortures during the arrests. In addition, we counted 30 wounded, 75 victims of forced conscription, 67 cases of people persecuted for political reasons, eight violations of the right to circulate freely, 37 illegal searches, and three evictions.

These cases include one execution attributed to the FMLN; five abductions carried out by unidentified men; and one killing, the responsibility for which has not been established. Responsibility for the other cases falls on various units of the Armed Forces, the security organizations, the civil defense groups, and the so-called "death squads."

Armed Forces' military operations carried out within this period show complete disrespect for the personal safety of civilians. According to our records, in the past four months these operations have resulted in the militarization of 45 communities, the destruction of 101 plantations, and the shelling and bombing of the civilian population.

Consequently, we demand that President Cristiani meet his international commitments on human rights, particularly by complying with the San Jose Agreement. This would include:

—Suspending all arrests by the Armed Forces as they are not "a competent authority."

—Respecting the rights of arrested people and avoiding making arrests for political reasons.

—Agreeing to grant freedom to political prisoners within a short period of time.

—Initiating investigations to determine the whereabouts of missing people and giving priority to the trials of those responsible for the disappearances.

—Suspending military operations against communities of people seeking repatriation, ending military sieges, eliminating checkpoints, and respecting civilians in general.

We urge ONUSAL and the international and national communities to verify compliance with the San Jose Agreement.

We also believe that all Salvadorans should be aware of the contents of the agreement and of ways to make it effective. [Signed] Suchitoto-Cuscatlan Human Rights Committee, Cabanas-Ilobasco Human Rights Committee, Department of Human Rights, and Legal Assistance Office for the Defense of Human Rights, and Legal Assistance Office of Legal Assistance, and Human Rights of the Paracentral Region, Chalatenango Human Rights Committee, La Libertad Human Rights Committee, Secretariat of Human Rights, and Legal Assistance of the Christian

Committee for Displaced Salvadorans Legal Assistance Office - FEASIES [expansion unknown] Sub-Regional Offices for the Defense of Human Rights Human Rights Committee of Cabanas-Ilobasco, San Vicente, Chalatenango, Suchitoto (Cuscatlan Department)

Guatemala

* Banguat on Economic Impact of Drought

92CA0022D Guatemala City PRENSA LIBRE in Spanish 17 Oct 91 p 28

[Text] In a press release, the Monetary Board (JM) described the impact of the drought on economic activity.

The Board said it had studied recently a document prepared by the economic studies department of the Bank of Guatemala (Banguat), in which it made a preliminary evaluation of the effects that the drought on the productive activity occurring, mainly, in the third quarter of 1991.

According to the study, weather conditions together with other factors would have both direct and indirect effects, which enable a forecast that the gross domestic product (PIB) for 1991 will increase about 3.2 percent in real terms.

This figure, according to the report, is less than that projected at the beginning of 1991, which was 3.5 percent as announced at the time by the president of the Central Bank. The decline in the expected growth rate during 1991 represents a decrease in production of 550 million quetzals at current prices.

The report points out that "due to its importance in the economy, a little over one fourth, the slow down in the growth rate of the PIB is occurring in large part in the agricultural sector."

It appears, according to the report, that production levels forecast for traditional and nontraditional crops were not greatly affected, since most harvesting had already taken place.

Also, the report adds, many of these crops are resistant to lack of moisture or use artificial irrigation systems.

The report goes on to say that "nevertheless, the drought could have an unfavorable effect on the production of certain basic grains. This has already been anticipated by the appropriate institutions, which have authorized the necessary imports to assure adequate supplies for the internal market."

It is estimated that the growth rate in agricultural production will slow down from an initially projected 3.6 percent to 3.1 percent in actuality.

* Increased Human Rights Violations Reported

92CA0022B Guatemala City PRENSA LIBRE in Spanish 14 Oct 91 p 3

[Text] The Human Rights Commission of Guatemala (CDHG) reported a considerable increase in attacks against the countries civil population in its latest preliminary report, which it released on 13 October to the Central American news agency ENFOPRENSA [expansion not given] from Mexico City.

The CDHG indicated that nine extrajudicial killings occurred during the previous week, bringing the number of such incidents to 665 so far during 1991, which coincides with term in office of the government of President Jorge Antonio Serrano Elias.

The ENFOPRENSA report points out that "the list of disappeared prisoners increased by two, bringing to 73 the number of victims of those practices considered crimes against humanity."

The number of persons receiving death threats increased to 514, three more than in the last report, while two other citizens suffered arbitrary temporary imprisonment, bringing this category to a total of 47.

According to the agency, for the same period the CDHG charged that the Army, using heavy artillery, carried out four more bombardments of the civilian population in the western highlands rural areas, with an unknown number of victims.

The report concludes that bombardments against civilians increased to 34, and the total of human rights victims reached 1,751.

* Human Rights: 730 Killed in 8 Months

92CA0022A Guatemala City EL GRAFICO in Spanish 14 Oct 91 p 5

[Text] Guatemala, 14 October—During the course of the continuing crime wave that is scourging the country 730 persons were murdered from January through August of the current year, for an average of 91 a month or three each day, according to a detailed report released by the coordinating committee of the Mutual Support Group (GAM), a copy of which was delivered to Christian Tomuschat, independent expert of the United Nations, during his stay in Guatemala.

In spite of the persistence of the incidents throughout the administration of President Serrano, in several of which members of the security forces were involved, the authorities have shown indifference.

The GAM claims that "the irrefutable proof of the problem is the failure to bring to justice those responsible for punishable offenses due to the continuing practice of cover up and of forgive and forget, creating the conditions for impunity to exist.

The GAM said that a copy of the report which contains the names of the 730 persons who were murdered was turned over to Christian Tomuschat, independent expert of the United Nations, who left the country on Saturday, 12 October.

The document contains specific instances, such as that of Santos Coj Rodriguez, member of the Civil Self-Defense Patrols (PAC) and a military officer, "responsible for

multiple murders and illegal burials, and who escaped just as he was about to be sentenced, probably to the death penalty".

"The acts which we denounce prove, unfortunately, that violence in Guatemala is persistent, since 1954, and that during certain periods they are not apparent, except for reappearances that give the impression that violence is beginning again when, in reality, they are continuing waves that strike hard so that even those who try to ignore the phenomenon are aware of it."

According to records kept by the GAM, the number of disappeared persons during the same period in the interior and in the nation's capital rose to 100.

"Disappearances increased considerably in the highlands where indigenous people and peasants are the main victims of this practice which, from any perspective, is a violation of human rights."

In addition, the GAM added that despite denunciations of the disappearances it has obtained no reaction from the responsible authorities, which represents an abandonment of the role they are called upon to fulfill.

The GAM also stated that many of the disappeared have been killed and buried in clandestine cemeteries in several places, and therefore it has requested authorization to conduct disinternments.

* Impact of Death Threats on Judiciary Cited

92CA0022C Guatemala City EL GRAFICO in Spanish 15 Oct 91 p 19

[Article by Walter Hermosillo of EL GRAFICO's editorial staff]

[Text] Guatemala, 15 October—The administration of justice in our country is under strong criticism from various sectors, political as well as important international organizations which have gone so far as to withdraw from Guatemala when they have had legal advisory programs for the bodies that administer justice in the country.

A few years ago there were legal advisory services from Harvard University, based in the United States. The consultants from that prestigious university abandoned the Guatemala project upon noting the high level of impunity and of bureaucratic red tape in the administration of justice in cases in which the identity of those responsible for criminal acts was well known.

Recently, even the presiding judge of the Supreme Court of Justice, Doctor Edmundo Vasquez Martinez, announced publicly that judges and magistrates of the judiciary are being threatened with death in order to restrict the application of justice in the sentencing of those truly guilty of a series of criminal offenses.

One of the judges resigned recently because of death threats. This involved the case of the third judge of the first penal appeals court of this city, Advocate Jose Mario Ramazzinni. When he resigned, he was responsible for the case involving accused cocaine traffickers.

This judge was attacked by two unidentified men who, in his own words, placed a knife at his throat directly threatening him, because of which he resigned from his position.

Another incident is that of the justice of the peace of Playa Grande, El Quiche, Lawyer Israel Paiz Hernandez, said to have reported threats against himself without specifying who the threateners were, and who asked to be transferred in view of the impossibility to work in safety and freedom. The report was made recently, by telegram.

Nicaragua

Sandinist People's Army Issues 'Statement'

PA0412011291 Managua LA PRENSA in Spanish 28 Nov 91 p 25

["Statement" issued by the Directorate of Public and Foreign Relations of the Sandinist People's Army, EPS, in Managua on 27 November]

[Text] On the occasion of commemorating the "Homeland's Soldier's Day" on 27 November, we, the commanders, officers, noncommissioned officers, and privates of the Sandinist People's Army [EPS] hereby make known to the Nicaraguan people our stand regarding the increased violence in rural and urban areas in the past few months. This situation seriously hampers the success of the peace process. Much to the amazement of the world, the Nicaraguan people have made many sacrifices to promote this peace process, even though the peace agreements were signed by the Central American presidents.

National Stability

National stability is fundamental to definitively overcoming Nicaragua's grave economic and social situation, to giving impetus to production, and to attaining steady economic growth with broad participation and social justice to continually increase employment and efficiency and expand the economy so that the population can enjoy better health and education. This national stability can encourage workers, businessmen, farmers, peasants, artisans, and small-scale businessmen, within a consistently legal and security framework, to protect life and property.

To give Nicaragua this national stability it is vital that all sectors of Nicaraguan society, particularly the political and economic sectors, abandon their confrontational and biased stands. On the contrary, they should seek the general and private good and be able to reach several agreements, patriotically and reasonably. For this, it is essential that all sectors of our society clearly identify the national interests which, like a common denominator,

should unite all Nicaraguans in strengthening the constitutional and democratic system. This national interest should lead us to find all possible solutions to the country's oppressive social and economic situation. These solutions should be practical, not just desirable, for each area. Only in this way will it be possible to create the essential climate of harmony and coexistence that—through dialogue, sound solutions, understanding, and tolerance—can overrule the radical and confrontational stands that are harmful to the country.

National Concerted Effort

National stability can be reached more quickly if everyone—the government, the workers, and the employers—can consolidate the economic and social national effort as an essential mechanism to make sure that the necessary structural, economic, and financial adjustments, although inevitably painful, will not ignore the lowly groups most affected by such changes. Such an economic and social concerted effort should make it possible for today's sacrifices to be truly offset by an economic revitalization that can create more jobs next year and by the future economic development that will provide for the well-being of all Nicaraguans, particularly the poor people in rural and urban areas. These are the people who bear the burden of Nicaragua's current historical stage. Without economic restoration and development, there cannot be happiness for our children in the future.

National Dialogue

We regard the national dialogue between the government, the National Opposition Unity's parties, and the Sandinist National Liberation Front [FSLN] as an exemplary and encouraging step. We hope this national dialogue will yield positive results to support primarily the peace process by reinforcing national reconciliation among all Nicaraguans. This national dialogue will be truly historical if it lays down the definitive groundwork for all of us to rally as a great family—with patriotic, revolutionary, and Christian zeal—in our search for sound solutions to the serious problems afflicting Nicaragua. In this way, we can nip in its bud the emerging extremism and violence that can only lead to confusion and destruction.

Order and Security

The urgent effort by the various governmental, political, economic, social, and religious sectors to eradicate the causes of instability in the country requires a stable groundwork of order and security.

At this particularly critical time, it is up to EPS and the government to enforce firmly the Constitution and bylaws and to ensure order and security throughout the national territory for all citizens, regardless of their ideologies, religious beliefs, political leanings, or social and economic standings.

In this spirit, we wish to emphasize the following on behalf of peace and our duty today, the Homeland's Soldier's Day:

—Our institutions will firmly and strongly prevent or repel the illegal or violent actions that have been taking place in rural areas and cities. These actions take advantage of the fair policy of tolerance, dialogue, and persuasion sponsored by the government of Violeta de Chamorro.

—We strongly condemn the violent actions that extremists of several political parties have perpetrated in the past few months, actions that have caused more suffering and difficulties in Nicaragua. These violent actions include setting on fire the FSLN party headquarters in La Concha and the mayor's office in Managua.

—Our defense and security institutions will reinforce their efforts to thwart illegal activities, particularly those carried out by terrorists and paramilitary groups. The full force of the law will be applied on those found responsible for these activities.

—Our institutions will continue to respect and guarantee the physical safety and property of the former Nicaraguan Resistance's [RN] demobilized members. In this context, we condemn the armed attack perpetrated on 9 November against an RN office called La Casona, located in Managua. This occurred amid the unchecked violence that resulted from the popular revolt against the terrorist attack against Carlos Fonseca's mausoleum.

—We reiterate our support of the dialogue that the government is holding with the recontras. We encourage both sides to continue on this course and reject the stand of the minority headed by El Indomable [Jose Angel Moran Flores], who has even killed some recontras.

—Both the recompas and the recontras have our word that we will support the government's dialogue to find immediately a solution to the situation that arose from the appearance of these small groups.

—We encourage both the recontras and recompas to close their ears to the arguments of the revengeful members of various political factions, who advise them to stay armed as a means of pressuring the government.

—The recontras and recompas should immediately dismantle the paramilitary organization they have wrongly chosen as a mechanism to guarantee their physical safety or to pressure the government into meeting their various demands. It is up to the military and the government to ensure the protection of everyone. The fact that in several places in the country some Sandinists or former contras have been attacked

by extremists does not justify the creation of illegal paramilitary groups that act outside the Constitution and the law.

—We appeal to the highly patriotic sense of responsibility of the former RN members and the followers of Sandinism to refrain from giving any military support, as well as arms and ammunition, to these groups of recompas and recontras because this, far from helping them, would lead them to a regrettable situation.

—We will continue to promote measures leading to a complete disarmament of civilians throughout the country. We urge those citizens who still possess any weapons to patriotically surrender them to the appropriate authorities with the guarantee that they will not be punished in any way.

—In compliance with the constitution and the law we will not allow the existence of other armed groups, such as the municipal inspectors and policemen.

—In the same vein, we reject the destabilization campaign promoted by the movement for the abolition of the Army whose existence was announced through certain media by a small group of people with extremist and conservative ideas.

—We support the firm actions of the police to reestablish order in cases where the protests and struggles of citizens violate the law, such as in the occupation of facilities, closure of roads, and other abuses. Violent protests and actions, invasion of property, and other actions that cause anguish, make the process of understanding and the negotiating process more difficult.

—As for the labor conflict, the firm and determined attitude of the police to establish order in cases of abuses in labor conflicts should not prompt government officials or private citizens to underestimate or overlook the causes that create socioeconomic conflicts and the demands made by the workers to negotiate a solution.

—In conclusion, we urge all the country's media to contribute to the strengthening of the atmosphere of coexistence and reconciliation that it needs at this juncture to ensure that the nation's leaders reach an agreement for the good of all.

Honor and glory for the fatherland's soldier.
Issued in Managua on 27 November 1991.
Sandinist People's Army.
Directorate of Public and Foreign Relations.

Minister Hurtado Responds to UNO Criticism

PA0312191791 Managua BARRICADA in Spanish 29 Nov 91 p 5

[Text] Government Minister Carlos Hurtado said on 28 November that the criticism of his office from the radical sectors of the UNO [National Opposition Union], as well as from the opposition, "does not worry me at all."

Hurtado made brief statements to the press and, using his usual moderate language, said that criticism "is only an opinion."

"They have the right to have an opinion, but that does not mean that I will change my actions, because what is important is to act correctly," said the minister. Hurtado is a member of Alfredo Cesar's Social Democrat Party, one of the most vocal UNO organizations regarding criticizing the police.

When asked about the contradictions between the national reconciliation policies and police repression, Hurtado said that "the two things must not be confused because the reconciliation process presupposes respect for the Constitution and the country's laws."

He said: "There are groups and sectors that have abused the reconciliation policy, but we have taken steps, and will continue to do so, to impose order, regardless of who is altering it."

Hurtado announced that on 13 December, at the latest, a special investigating commission of the Government Ministry will present its report on police performance during disturbances that took place on 9 November after the dynamite attack on the tomb of Commander Carlos Fonseca Amador.

Hurtado explained that the members of the commission "have traveled to the different departments and have investigated in Managua," and that "on 13 December, or before that date, there will be a resolution regarding that affair."

Asked if he was happy with the 1992 budget proposed for the Government Ministry, Hurtado said: The budget is realistic. Everyone would like a bigger budget, but it is not possible. We will work to impose order and tranquillity with the budget we have "

Hurtado was asked how he felt about his job as head of the Government Ministry. "Very busy, but I have felt well. It has been worth it because we are still moving forward," he said.

Recontras, Recompas Clash in Matagalpa Department

PA0412010691 Managua LA PRENSA in Spanish 28 Nov 91 pp 1, 16

[Report by Roger Suarez and Celso Martinez]

[Text] The clashes between the recontras and recompas are continuing in Matagalpa Department. According to some reports, five people have been killed and 12 have been wounded in Puerto Viejo, Waslala, and Pita Del Carmen in Matagalpa Department.

The recontra known as "Matagalpa" was killed and five recontras were wounded in Pita Del Carmen. The recompas sustained no casualties. There are reports of four recontras being killed and seven being wounded during the clashes in Puerto Viejo.

The recontras and recompas signed an agreement at the former military base of Tomatoya on 11 November. According to the agreement, they promise not to resume armed operations and to gather at enclaves to avoid clashes between the different armed groups moving throughout the northern part of the country. There are bands of armed criminals who rob the peasants and identify themselves as recontras or recompas. Government authorities say that, if the rearmed groups stay in specially marked areas, the battle against the bands of criminals will be more effective.

The police and the Sandinist People's Army [EPS] in Matagalpa are calling on both sides to respect the agreement signed in Tomatoya. They are calling on recontra chief "Tigrillo" [Encarnacion Valdivia] to gather his men in an enclave where the EPS can offer them protection.

Santiago Murray, chief of the CIAV [International Commission of Support and Verification] in Managua, said that although he had no specific information, he had learned of new clashes between recontras and recompas, "but we believe that the groups that were involved in these last clashes are not controlled by those who signed the Tomatoya agreement."

One CIAV version says that the "recontras" were attacked from behind. "There were six commandos headed by 'Naval' [expansion unavailable] in the area known as Las Nubes. They were bound for Zacatecas but were intercepted by the 'recompas,' who were headed by Dario Perez." These "recompas" are part of a group called Arnoldo Quant and there are 16 of them.

"The 'recompas' stopped the 'recontras' to say they wanted to talk, but other people shot them from behind, killing three and wounding three," the OAS source said, adding that this took place at 1330 on 26 November. Military reports circulating in Matagalpa said that the "recontras" were killed in combat.

Three PRODERE [expansion unavailable] trucks, which were headed for Wiwili with a load of construction material, were burned by unidentified persons. These people also burned a project supervisor's station wagon. This took place at about 1100 on 27 November on "the Wiwili slope," between Pantasma and Wiwili.

Recontras Burn Vehicles, Warehouse in Jinotega

PA0412032091 Managua BARRICADA in Spanish 29 Nov 91 pp 1, 12

[Report by Juan Ramon Huerta]

[Text] Jinotega—Police confirmed on 28 November that three trucks loaded with construction materials for a school, a government van, a National Coffee Enterprise warehouse, and a public bus were set on fire on 27 and 28 November, north of Jinotega, by approximately 30 recontras led by Somotillo, Estrella, and Guapote [proper names unknown].

The three trucks, which were burned at El Bojaso, between Pantasma and Wiwili, were owned by the Satsa shipping company of Managua. Losses were estimated at $5,000.

During the night, another group of recontras set fire to the Wamblan coffee warehouse in which a large amount of high-grade coffee had been stored, and on the morning of 28 November, the same armed group set fire to a passenger and freight vehicle.

On 28 November, the board of directors of the San Cristobal Freight and Passenger Transportation Cooperative in Jinotega resolved to stage a 72-hour strike to demand protection for their vehicles and their lives.

The three KP-3 trucks were carrying construction materials and accessories for an elementary school in Yakalwacito being built in that area under the auspices of the UN High Commissioner for Refugees.

It was also reported that slogans attributed to the Revolutionary Armed Movement [Movimiento Armado Revolucionario—MAR] were found painted on the walls of some houses in Jinotega. The signs called for "death to Somozism."

Panama

Talk Show Discusses Presidential Security

PA0312162891 Panama City Circuito RPC Television in Spanish 1600 GMT 1 Dec 91

["Let Us Find Solutions" talk show with host Julio Miller, former National Police Director Ibrahim Asvat, Immigration Director Antonio Dominguez, Deputy Government and Justice Minister Jose Miguel Aleman, and Christian Democratic Party Legislator Guillermo Cochez]

[Excerpts] [Miller] The appropriation of state funds for members of the Executive Branch is currently being criticized, particularly because the budget for this is considered too large, considering the fact that the country is currently facing criticial social and economic problems. The role played by the Institutional Protection Service [SPI] has also been criticized. The resurgence of militarism in Panama, or the presence of security forces resembling the former G-2, is inconceivable. It would be much worse to disguise this with a new name. This is an issue that we thought had been settled.

Dr. Cochez, we will start to analyze this issue. You recently sent a letter to the Executive Branch stating

certain things and your concern about security expenses—the same expenses that we previously criticized during the military dictatorship. What is the basis for your position?

[Cochez] I sent a letter to the president and wrote an article for a local newspaper stating that, in my opinion, the presidency's budget for several agencies—including the SPI and the executive secretariat of the Council for Public Security and National Defense [Conasepuden]—negate the civic ideals of seeking the country's demilitarization and professionalizing the country's security organizations. It also negates the nation's needs, particularly when we see the government making budget cuts in the health, education, housing, and public works sectors; the community boards in each district need money for those sectors.

The SPI and the Conasepuden Executive Secretariat have a joint $3,750,000-budget although they requested $5,025,963 for 1992. The SPI alone has 366 members; this was confirmed by the SPI director during a meeting to review the presidency ministry's budget. This represents 3 percent of the Public Force. God knows how many others there are—aside from those included on the SPI payroll.

The president answered my 14 November letter on 18 November and said that, in his opinion, the current situation demands that the budget...[pauses] that the presidential palace be protected by loyal, able, and well-trained personnel. The word loyal reminds me of the demonstrations organized to show the people's loyalty toward General Manuel Antonio Noreiga. The president continues: The enemies of democracy and their conspiracies are real. This also reminds me of the conspiracies that Gen. Noriega frequently invented.

The president continues: I inherited the Arnulfista tradition that the presidential guard must be under the command of the president and officers who operate at the presidential palace without any subordination to other Public Force members. Consequently, I see that he claims responsibility for the uniform—some say it resembles the uniform worn by the Gestapo, others say it resembles the uniform worn by Mussolini's militias—that is now worn by the SPI officers. The uniform has been wholeheartedly rejected by the people. [passage omitted]

[Miller] Dr. Cochez, the Executive Branch certainly has to maintain security personnel for the presidency.

[Cochez] Definitely. What we question is the amount and the way in which Gen. Noriega's praetorian guards have been replaced by the president's praetorian guards. What we question are the exaggerated appropriations, such as $289,000 for food and drinks. They requested $450,000 in food and drinks for the SPI. When asked about this they gave no answers. When we suggest that something shady is going on regarding those funds, they insinuate that they agree, but they say nothing specific about it. The president has failed to mention this issue. [passage omitted]

[Miller] Dr. Asvat, do you endorse the thesis that militarism has invaded the Presidency of the Republic? Can you explain your views on this?

[Asvat] I think this should be analyzed, bearing in mind the demilitarization planned by the Civic Democratic Opposition Alliance [ADOC] and the goals sought with Decrees 38 and 42 issued in February 1990. The goal was to create a public security model based on a pluralist police force—pluralist in the sense that various public security agencies would be created to guarantee the citizens' protection. The president's security force was also based on this model, but it is a separate organization and is assigned to the ministry of the presidency.

Two important concerns led to the need to structure it this way: An old tradition of creating a presidential security corps outside the control of the National Police and the separation of public security to avoid a single ministry controlling it. This philosophy led to its separation from the Judicial Technical Police and its placement under the Public Prosecutor's Office. Appointments to the security corps are made through the Supreme Court of Justice. Furthermore, the SPI was placed under the Presidency Ministry.

That division had a pragmatic aim: Avoid concentrating too much power in the hands of one individual. What concerns us about the SPI is that today we are seeing the revitalization of militarism. I have evidence of this.

For example, SPI uniforms are fully militarized solely to safeguard the president's security. These uniforms are identical to the ones used by the force created by General Manuel Antonio Noriega for his security, that is, the special antiterror unit.

This concerns us very much because it shows that militarism is apparent within an organization that is predominantly civilian. We hope that the soldiers will become civilian policemen, but we do notice that certain civilians are now playing at being soldiers.

We saw an example of this on 4-5 December when we witnessed a military action. More than a civil security force, it is a shock force, an elite security force that is completely militarized, that displays military behavior, wears military uniforms, and bears military weapons.

Knowing the history of Panama, how militarism even displaced democratic governments, it is very disturbing to see the start of the same cycle again. In Panama, the National Police became the National Guard, which became the Defense Forces, which brought 21 years of dictatorship to the country.

Today, we are again seeing a resurgence of that military behavior. We do not know where this will take us, and thus, this is very dangerous. [passage omitted]

[Miller] There is growing concern over the recent purchase of weapons or the possible increase in the budget to purchase weapons, uniforms, and a possible increase in SPI size.

[Aleman] Mr. Dominguez said something that is very true of democracies. We have lived for many years—and I have lived virtually during my entire adult life—under a military regime. In a democracy, the legislative assembly has the last word on the budget and the laws. The legislative assembly reflects the people's will, which was voiced in 1989. They chose the members of their law-making body. The legislative assembly must review the SPI budget presented by the Cabinet Council and will have the last word about it.

It is important—and I have said this in the past—that this country is heading toward institutionalization. Institutions must be above politicians and political parties. I believe that the SPI is an institution that plays a role in this country. The legislators will decide the development of SPI through the budget. [passage omitted]

[Miller] Mr. Cochez, people are concerned over the resurgence of militarism.

[Cochez] I am definitely convinced that this involves more than a theoretical problem; the law is clear. The president was given the opportunity to head the SPI. I do not believe this is a problem resulting from laws, it is an attitude problem. As Dr. Asvat pointed out, certain people want the police to demilitarize and become civilian police, but others, who are civilians themselves, play at being soldiers. It is an attitude problem.

We have talked about the SPI, but have said nothing about the Executive Secretariat of the Council for Public Security and National Defense, which has a $1.1 million budget. How can this be justified? What does it do? How many members does it have? It is said that it only has 388 members serving the entire Executive Branch; but actually, it only serves the presidency of the Republic because each public institution—and you know this as deputy government minister and Mr. Dominguez also knows this as immigration director—has its own security system. That is, the council does not cover the entire country. No, they serve the president of the Republic and certain officials on certain occasions.

It is an attitude problem. We have, for example, reports that besides the SPI and the Council for Public Security and National Defense—no one knows what it does or investigates; if it does intelligence, espionage, or taps telephones, as claimed—there are other institutions that operate without the knowledge of the president of the Republic and are conducting similar operations with the equipment they have. [passage omitted]

Foreign Minister Visits Egypt, Europe

PA2911032991 Panama City CRITICA LIBRE in Spanish 28 Nov 91 p 35

[Text] The Republic of Panama bolstered its international relations with several European countries and Egypt during Foreign Minister Julio Linares' recent trip to the old continent and northern Africa.

During that tour, Dr. Linares visited Romania, where he met with President Ion Iliescu and Foreign Minister Adrian Nastase. They discussed the advisability of opening consular offices to promote foreign trade between the two nations, navigation to Panama on a Romanian maritime line, and establishment of a Romanian enterprise in the Colon Free Zone. During his stay in Bucharest, Minister Linares signed an economic and technical cooperation agreement with Trade and Tourism Minister Constantin Fota. He also signed a protocol establishing a consultation mechanism for foreign ministry officials of both countries with Foreign Minister Nastase.

At the Vatican, Foreign Minister Linares, who was greeted during an audience by His Holiness Pope John Paul II, extended on behalf of the Panamanian Government a cordial invitation to the Sovereign Pontiff to revisit Panama.

In Rome, Minister Linares met with colleague Ibo Butini, with whom he discussed: efforts to establish a support group or group of international donors to help Panama normalize its relations with international financial institutions; a debt-for-nature swap; and the need for the EEC to give Central American exports the same treatment it gives to those of Andean countries.

In London, Minister Linares met with Secretary of State Tristan Gerel Jones. They discussed issues concerning both Panama and the United Kingdom as well as the formation of a support group to normalize Panamanian relations with international financial institutions [IFIS]. Also in London, Minister Linares handed William O'Neil, secretary general of the World Maritime Organization, a check for $500,000 to cover Panama's membership quota.

During his stay in Spain, Foreign Minister Linares met with his counterpart Francisco Fernandez Ordonez to discuss the second Ibero-American summit that will take place in Madrid next year. Dr. Linares and the Spanish foreign minister also discussed efforts to establish a group of international donors to help Panama normalize its relations with IFIS.

In Egypt, the Panamanian foreign minister met with President Muhammad Husni Mubarak and several ministers of state, including the new UN Secretary General Butrus Ghali. In Cairo, Foreign Minister Linares signed a basic technical cooperation agreement with International Cooperation Minister Maurice Makramallah. He also signed a joint communique with Foreign Affairs

Minister 'Amr Muhammad Musa that includes international and economic issues of interest to Panama and Egypt.

The Panamanian foreign minister also transited the Suez Canal and met with the canal's port authority president Ezzat Adel [title and name as published], with whom he agreed to cooperate and exchange information to ensure that Egyptian experience in this area will be useful to Panama once it manages, operates, and maintains the Panama Canal.

Minister Linares also met with Electricity and Energy Minister Muhammad Mahir Abazah, who invited the director of Panama's Institute of Hydraulic Resources and Electrification to visit Egypt accompanied by a technical delegation.

Argentina

* Angeloz Criticizes Menem's Policy, Methods

* Social Cost

92SM0108A Buenos Aires LA PRENSA in Spanish 2 Nov 91 p 5

[Text] During the harshest questioning of the economic policy of the national government which has occurred since 1989, Governor of Cordoba Eduardo Angeloz maintained that "the people must not fall into the trap of believing that our situation is characterized by hyperinflationary chaos or a system of poverty for many and advantages for a few."

In a written message sent to the Buenos Aires Radical Recovery members of Congress who were meeting in a downtown hotel in this capital city, Angeloz expressed the view that what is happening is not reform "but a veritable dismantling of the state, leaving it without any regulatory or control capacity, at the mercy of the monopolies and the interests which are making progress due to the vulnerable nature of an almost anarchic situation.

"There is no precedent anywhere in the world for structural economic reforms effected without a strong state presence, nor even any carried out under a strong conservative program," the former presidential candidate added.

The letter, which was addressed personally to Melchor Posse, and through him to the leaders of the UCR [Revolutionary Civic Union]—which came in second in the last Buenos Aires elections, winning 35 percent of the votes—called for the development of an "alternative" within the radical sector.

"We radicals must provide an alternative for the future. The country could not continue as it was, with its economy disrupted, but it cannot continue as it is now, either, adapting to an uncertain future, because this is being done in haphazard fashion and is threatening things which are at the heart of a modern productive system," the message went on to say.

Angeloz said that "we radicals must be the alternative," because "this is what the country needs, and to a certain extent the citizens are demanding it in this time of such oversimplification and confusion.

"Regrettably, things are not going well in our country, or in our party either. It has not succeeded in offering itself as an alternative for overcoming this unprecedented crisis, which is the result of repeated mistakes which are threatening all of us Argentine citizens," he said.

Admitting Errors

In view of this unfavorable picture, he expressed the view that the conduct of the radicals should involve "humbly admitting our errors and shortcomings and correcting everything which needs correcting—ideas and attitudes, in order to define a new party presence in view of the new demands.

"Real boldness, together with the full depth of our traditional convictions, will give us the authority to propose programs and to criticize those who are in power today. They will give us back our credibility and the confidence of the people, which we have lost," he said.

Speaking about the election results, Angeloz said that "the citizens demonstrated overwhelmingly that they do not want a return to the past which was characterized by inflation, instability, verbal and ideologized politics, a protected and closed economy, and a state which awards benefits and sinecures."

However, he warned that this interpretation does not mean that "the people will automatically and indiscriminately approve everything being done to eliminate these old problems." He maintained that "the people will not allow themselves to be drawn into the sophistic belief that changing is what is important, while all the rest is but an instrumental problem, an auxiliary and formal matter.

"It is not just a formal or auxiliary matter to transfer national assets, even if they are operating at a deficit, to the highest bidder in indiscriminate fashion, and in a hurry to liquidate. This must be done instead responsibly, and with the honest ethics the management of public affairs requires," he explained.

The Social Cost

Following the same reasoning, he added that it is not "a mere instrumental detail," either, "to neglect the social cost of adjustment, to fail to anticipate the consequences and to provide for the necessary aid and the creation of genuine labor alternatives."

In conclusion, Angeloz expressed the view that "it is not just an ornamental detail, either, to undertake adjustment and major reform on the basis of the presumed honesty of a few, or the prepotency of those who believe they are the only repositories of the truth and the authority to put it into effect. This must be done, instead, on the basis of consensus, dialogue, and agreement among the political and social forces."

* Authoritarian Methods

92SM0108B Buenos Aires LA PRENSA in Spanish 4 Nov 91 p 4

[Text] Governor of Cordoba Eduardo Angeloz has compared the government of President Carlos Menem with that of his predecessor, Raul Alfonsin, saying that "it has fallen into the same errors and the same arrogant attitude." He added that "the two are the same when it comes to consideration of the provinces.

"I do not know what complaint the Justicialist governors could have at this time. Their problems are probably

being solved for them from above, or under the table." However, he said, "I have not received any kind of benefit, either in the Alfonsin era or now."

The governor of Cordoba indicated that he approves of the content of the measures for deregulating the economy announced by the government, and he said that he himself suggested them during the 1989 presidential campaign. However, he disapproves of the fact "that they were promulgated in authoritarian fashion, by means of a decree."

Angeloz emphasized that "the government official who hands down decrees is governing poorly, because he is not encouraging the legal structure the country needs, above all at a time when we are seeking risk capital for investment. And if there is anything the owners of capital are looking for, it is juridical security."

Concerning the argument put forth by the government to justify the decree pertaining to the congressional delay in dealing with certain subjects, Angeloz admitted that this is a problem. However, he said that "this is a constant factor in all the parliaments in the world," and he noted that "measures as overwhelmingly important as this demand great maturity and extensive discussion."

Transfer of Schools

He said that the transfer of middle-level schools to the provinces "is an authoritarian and unilateral measure," and he dismissed the suggestion of a debate with Minister of Economy Domingo Cavallo on this matter. Rather, he said, "It is clear that he has some special personal connection with the province of Cordoba, because he always personalizes each of the various positions I propose to him, instead of pursuing an institutional debate."

He then rejected the government view to the effect that the budget, on the basis of coparticipational funds, offers an adequate financing guarantee for the transfer of the schools. He maintained that "the budget cannot be used as a tool for a sector of such overwhelming importance as education. Such a measure would make it seem that education is just another unimportant issue."

* Cavallo on Reforms, Relations With Menem

92SM0093A Santiago EL MERCURIO in Spanish (Section B) 3 Nov 91 pp 1-2

[Interview with Minister of Economy Domingo Felipe Cavallo by Carolina Garcia de la Huerta; date and place not given]

[Text] Like it or not, Domingo Felipe Cavallo, doctor of economics, has become a Latin American star, one of the most popular men in Argentina, the man who succeeded in turning his country's economy around in seven months and who has occasionally topped the polls, even overcoming President Menem's lead.

With Cavallo, the Argentinians have apparently for the first time dared to say, "Now we are finally going to get out of it." For the first time, they have confidence. For the first time, after decades of a wide gap between profits from their activities and economic stability, they see light at the end of the tunnel.

[Garcia de la Huerta] When you announced your economic plan on 1 April, did you think it would ever enjoy such results?

[Cavallo] I had confidence in my plan because I had always thought that it was all we needed so that many efforts already made would truly bear fruit. However, I thought the people would take longer to perceive the benefits of stability. I was really surprised by the degree of support and acceptance the measures finally received.

[Garcia de la Huerta] Seven months later, it is a different kind of air that the people are breathing in your country. Do you think Argentinians were anxious to place their confidence in someone?

[Cavallo] In order to recover, businesses, like people, have to want to get better, and they must also regain confidence and hope in themselves. I always say that doctors know about medicine, but that in the end, the course of the illness has a great deal to do with the patient's state of mind. The same is true of a country: When expectations begin to recover, the climate changes and this helps one to come out of it.

"To come out of it," unquestionably a job that for Cavallo turned into a marathon, working 25 hours a day, nonstop. At 44, the minister of economy (he is married and has three children) truly seems accustomed to a kind of daily race.

Clear and precise, he gets right to the heart of the matter. His eyes, dazzlingly blue, radiate intelligence, but at the same time reveal both a lively and friendly nature.

And, like the good Argentinian that he is, he is impeccably dressed. Everything he has on matches, from his socks to his tie, which obviously goes perfectly with the silk handkerchief peeking out of his jacket pocket.

The minister spent 48 hours in our country, very little for a schedule packed with meetings: with President Patricio Aylwin, Minister Carlos Ominami, with businessmen, in order to sort out the agreement recently signed between the two nations, with the Chilean and Argentine press, with friends, including his companion at Harvard, Senator Sebastian Pinera, and the former negotiator of the Chilean foreign debt, Eduardo Aninat. Then there is the opening at Fisa [Santiago Industrial Fair].

Nor was that all. His mind was constantly on Argentina. Once back, he would have to announce an "earthshaking program," a major package of measures on which he managed to put the finishing touches while here.

Likely Candidate

From July 1989, when this Cordoba-born economist joined the ranks of the government team, his name circulated as one of the most likely candidate to take over as head of the economy as soon as Menem took office, but he was named foreign minister. In Argentina, he is recognized as one of the country's most prominent economists, with a long background in the academic world and as a business consultant, particularly in the export sector.

Cavallo has also served in government. He occupied posts under the military government, becoming president of the Central Bank for 55 days in 1982. He also served as deputy.

Since February of this year, he has headed Economy, the fourth minister in 28 months and after his predecessors relinquished the post without succeeding in turning the negative figures around.

[Garcia de la Huerta] Are you superstitious?

[Cavallo] No, I am not. (He answers almost hesitantly, amazed at the question.)

[Garcia de la Huerta] I am asking you because yours is the 13th economic package since President Menem took office.

[Cavallo] No, that is not true. Menem's government has had a single program of economic reforms, including reform of the government, the privatization process, and the creation of an open, transparent market economy. That was announced on 8 July 1989 when President Menem took office.

[Garcia de la Huerta] But you cannot deny that there have been several attempts at stabilization, all of them failures.

[Cavallo] There were three. The first, led by Minister Rapanelli, hit a crisis in 1989. Then Minister Gonzalez came in and in March 1990, implemented another stabilization plan that brought about a significant drop in inflation throughout 1990 and that suffered a crisis early this year. When inflation shot up, I took over the ministry and we launched the third stabilization plan. Now then, a poorly organized country has to change so many rules of play that every two weeks there is some new law, some important decision identified as an economic program.

Cavallo's Key

[Garcia de la Huerta] Your predecessors failed in their attempts. What has been the key to the convertibility plan that you carried out and with some success so far?

[Cavallo] The emphasis we have placed on collecting taxes, first of all, and second, the monetary system of the controlled foreign exchange type, meaning that the monetary base is backed by gold and foreign exchange 100 percent.

[Garcia de la Huerta] In other words, every austral in circulation is backed by hard money in the vaults of the Central Bank?

[Cavallo] Yes.

[Garcia de la Huerta] And how is your plan to collect more taxes going? Does that old refrain about "for every austral paid to the government, one is evaded by Argentinians" reflect reality?

[Cavallo] Well, there is still a lot of tax evasion, but we are now collecting 100 percent more than during the same months of last year, which shows major progress in the administration of taxes. We are watching the Chilean experience very closely.

[Garcia de la Huerta] Precisely what are you looking at in our country?

[Cavallo] Chile has a much better institutional tradition than Argentina, economically speaking, and in particular, it has a good tax collection system.

Good Signs

[Garcia de la Huerta] A month after your plan went into effect, you promised Argentinians six decades of prosperity. Was that just a whim of yours, or do you truly believe that with your plan, Argentina can put its dark days behind it?

[Cavallo] I do not believe it just because of my plan, but because of all the changes in the rules of play that have been implemented since President Menem took power. Our country enjoyed six decades of political stability and economic prosperity from 1870 to 1930, decades unfortunately followed by six more of great political and economic instability. In 1983, democracy returned with Alfonsin and now we are organizing its economy on foundations similar to those that prevail in nations which enjoy stability and progress.

Argentina is a country that is rapidly opening up to the world, becoming integrated with its neighbors, and so far from achieving its potential that I sincerely believe we are beginning a period that will last a long time and during which Argentina will enjoy stability and sustained progress.

Menem's Successor

[Garcia de la Huerta] Why do you think Argentinians bet on you?

[Cavallo] They did not place their confidence in me personally; they value the economic reforms put into place by President Menem, and they have recently valued the climate of stability created with the convertibility plan, basically because the Argentine nation is an intelligent nation that was very poorly organized and

that had a dramatic experience with the hyperinflation of 1989. Now, as an intelligent nation, they no longer believe in any demagogic rhetoric. Today they prize realism and frankness, which is how President Menem has spoken to them. For my part, I am trying to implement technically well the directives issued by the president himself.

[Garcia de la Huerta] Even so, you have become a very popular man in your country and some point to you as the most likely successor to President Menem in the Casa Rosada [Executive Mansion]. Do you feel like a potential presidential candidate for 1995?

[Cavallo] No. I want to do my job as minister of economy and it would be very silly to get carried away with personal ambitions or presidential campaigns when I have such an important challenge facing me. On the other hand, the Justicialist Party is rightly trying to get the president reelected and, in that case, the natural candidate for the next term would be the president himself. Consequently, it would be inappropriate for me to enter into a kind of competition with him.

[Garcia de la Huerta] But some analysts and the media in your country note that the most recent political victories achieved by Justicialism in the government are due to you and your economic success.

[Cavallo] When you say that the media in Argentina mention my possible candidacy, I must tell you that there are unfortunately people who try to attribute such ambitions to me in order to create a kind of wedge or competition between the president and the minister of economy. However, we are not going to allow this kind of speculation to disturb the work we have to do together. I am convinced and state that the kind of leadership shown by President Menem is essential in order to achieve the reforms we are bringing about.

[Garcia de la Huerta] Why?

[Cavallo] Because he has leadership and courage. Furthermore, he has won the trust of the people and only in this way can changes be made. Even the most humble people see that the president can promote things which, based on the slogans of the past, seem to benefit businessmen, and they know that if he is doing so, it is because such things are in the people's interest.

Discord

[Garcia de la Huerta] Then you deny all rumors of a possible personality clash between you and the president?

[Cavallo] I would say that the two of us complement each other very well and people truly complement one another when they have different attributes. I do not have the spontaneity, congeniality, style, or human warmth that he transmits to people. The president is obviously not an intellectual or professional man devoted to administering economic policies well and in detail. I am in charge of that at the ministry.

[Garcia de la Huerta] Now then, as an economist who received his doctorate from Harvard, is it hard to convince a Peronist leader of the adjustments that must be made?

[Cavallo] No, because the president has a very special intuition and great realism. Without anyone explaining it to him, he perceives the conditions that make it possible for the country to move forward economically. He is realistic and there is now sufficient evidence to demonstrate that the market economy and a disciplined public sector are the best forms of organization from which to take advantage of the nation's potential.

[Garcia de la Huerta] But Mr. Minister, the big question that many are asking is whether the Argentine people and President Menem are willing to go the whole way with the adjustment process, despite the social costs this may entail.

[Cavallo] Yes, because Argentina has already experienced the social cost of the other way. With hyperinflation, we went through the worst times in terms of the unemployment rate, confrontation, extremely low levels of income. Today, the people know the alternative is not some formula at a lower social cost, but actually, higher social costs. In addition, we are lucky that Argentina is a country with great potential resources and such great potential for recovery that the social costs are not high, even when changes and readjustments are simultaneously introduced in vast sectors of the economy. As you can see, since 1990 we have reduced the number of government employees by nearly 60,000. We have restored businesses to private ownership and yet, the rate of unemployment, which was 8.8 percent in May of last year, dropped to 6.4 percent in July.

[Garcia de la Huerta] The success of your plan is obvious. In 1990, inflation exceeded 1,000 percent and this year it is around 80 percent. Do you think that by next year, you will be able to achieve the goal of 7 percent annually that the president wants?

[Cavallo] Well, that must unquestionably be the goal because the rules of play lead us to a rate of inflation similar to that of countries using the dollar and which support ours. However, it is also realistic to see that an economy with an inflationary history may experience some delay in achieving international standards, but that will nevertheless be our goal. Since all markets are free, the only tools we have to work on inflation are fiscal management and monetary policy.

Hastening Privatizations

[Garcia de la Huerta] As part of Argentina's fiscal policy, privatizations are a key, for they generate most of the government's resources. You have been criticized for

going very slowly with the process. Is it true that the president has asked you to speed things up and be done by 1992?

[Cavallo] Yes, it is true and I am happy it is so, but I have also imposed one restriction on myself having to do with political and professional responsibility: Privatizations must be done right, within a context of deregulation of markets and attention to guaranteeing equity for users as well as owners in those companies that are monopolistic. We have to move fast, as President Menem wants, but without committing some of the mistakes we made in the past.

[Garcia de la Huerta] What are the next steps to be taken?

[Cavallo] Well, there are many things that are now in different stages. For example, privatization of the entire oil sector is well underway.

[Garcia de la Huerta] You mean 50 percent of the YPF [Government Oil Deposits], right?

[Cavallo] We shall probably go even further than that and the country will divest itself of all shares in the YPF. However, next we have the whole issue of the railroads, where we are also moving forward with privatization.

[Garcia de la Huerta] Then there is the bidding for the Greater Buenos Aires Electrical Services, SEGBA, in which Chilean business firms are interested.

[Cavallo] Precisely. We want a good system of deregulation and competition between the companies that generate power, and we also want a plan for the distributors of electricity, with a suitable balance between company incentives and users' interests.

After the Visit

[Garcia de la Huerta] After hearing the proposals and fears of a broad sector of our nation's businessmen concerning the economic cooperation agreement signed by Presidents Aylwin and Menem, how do you feel as you leave our country? Is there an agreement or not?

[Cavallo] The agreement exists in principle and now we must move forward with its practical implementation. To that effect, we have set up mechanisms for consultation with private owners in both countries and by proceeding in this way, we cannot go wrong on practical implementation. I will leave feeling exactly as I did when I came: Chile is a country of capable, intelligent people who are also very well organized. It is very important for Argentina that we move forward with this process of integration, but I am also convinced that Argentina will be very important to Chile in the future.

[Garcia de la Huerta] The problem is that people here are criticizing the fact that the agreement signed appears to benefit Argentina more than Chile, for example, with the outlet to the Pacific for its products through our ports.

[Cavallo] No, I do not think Argentina is favored over Chile. What is happening is that ours is a country which, due to its past instability and proposals, was perhaps seen by Chileans as not a sufficiently important nation. Now, however, with the new circumstances, you will all see that you have a neighbor that is a major market and that has 30 million inhabitants and a gross product of $140 billion, a country with important resources offering great opportunities for investment and things that can benefit Chile.

[Garcia de la Huerta] Such as?

[Cavallo] Such as gas and other resources that can come from Argentina and that it is reasonable to share, just as Chile shares its port infrastructure and other resources with Argentina, for example.

[Garcia de la Huerta] The issue of plant health is of special concern to Chilean farmers since Chile has no pests and Argentina does.

[Cavallo] The following must be absolutely clear: The pressure which Chile puts on us and the experience it passes on to us will help us eradicate those pests and make the necessary effort. If there is any one thing we intend to be careful about, it will be not to cause Chilean farmers any problems, for we know they have made a great effort and have the right to enjoy the fruits of that effort.

[Garcia de la Huerta] You have appealed to Chileans to invest in Argentina and deposit their millions there. Is that recommendation not a bit early or do you have blind faith in the success of your economic plan?

[Cavallo] Not in the success of my plan, but in the success of Argentina, because while what is being done in my country has one technical and political ingredient that is my own, it has much more in the leadership and courage of President Menem. Above all, I have confidence in the intelligence and ability of the Argentine people to learn from the dramatic experiences that we have endured in our country. Something is changing in Argentina and you can perceive it ahead of others and take advantage of it.

* Decree Gives State Control of Social Benefits

* Union Leaders Concerned

92SM0091A Buenos Aires CLARIN in Spanish 1 Nov 91 p 9

[Text]

Government Will Control Social-Benefit Funds

In a last-minute change, the administration included control of the social-benefit funds in its deregulation decree. In the first copy of the decree, which was released yesterday, Article 87 was worded differently. Employer and worker contributions to the social-benefit funds will now go to an account in the Ministry of Labor, which

will later release the proceeds for each social benefit. The administration is thus moving against the last tool of union power. The subsidy funds are being dissolved, and joint employer-employee arbitration boards by company are being promoted.

"Everything is fine. We are not affected at all," said one of the leaders, trying to reassure those around him.

"Are you sure?" the man who had just arrived asked him.

"We have just come back from the recording of Menem's speech," he went on to say. "And I have the decree here; it is a hefty one."

"Show it to me," said the mistrustful one.

The director of the San Martin CGT [General Confederation of Workers] went down from the eighth floor of the SMATA [Trade Union of Mechanics and Related Automotive Transportation Workers] building (the top echelon of the pro-Menem union met yesterday afternoon in Jose Rodriguez's office) to get the text, which he had left in his car.

Then came another meeting, one very different from the gathering that they had called to complete the controversial housing plan designed by the CGT. When they reread the decree, they realized that Article 87 now included contributions to social-benefit funds among those that the Labor Ministry will collect directly.

As of last night no one knew who had made the change (the provision was not part of the initial copies of the decree) or when. The fact is, however, that the administration was taking control of the social-benefit funds, which manage some $260 million a year.

The mechanism put in place is simple: the contributions of employers and employees to the social-benefit funds will not go, as they have so far, into each fund but rather into an account that the Labor Ministry will open. The money will then be released, in a second stage, to each social-benefit fund.

In contrast to the rest of the decree, which deregulates economic activity, this provision regulates social benefits, the last tool of tattered union power.

The administration ordered all social-security funds brought together into a single account: the ones that belong to social benefits and to retirees, the family-subsidy funds (which will be dissolved), and the unemployment fund to be created under the new law that Congress is debating.

The "Menem Shock Treatment"

Shocked as they have been by other of President Carlos Menem's moves, union leaders of every stripe could not get over their astonishment yesterday. Neither the pro-administration officials, who had been with him when he recorded his speech (not knowing that he was digging their grave), nor independents and opponents, who were confused, answered the messages left by newsmen.

The deregulatory decree means four major changes for labor leaders.

- The biggest one, unquestionably, is the diversion of union contributions to the government. Why? Because they will now depend on the checks that the Labor Ministry will issue them each month. The administration will hold the keys to the union bank. And that is not all. Who will monitor employer contributions now? Because the unions have so far kept an eye on companies to make sure that they paid up.
- The second change is the disappearance of the family-subsidy accounts. These accounts also handled millions in funds and were controlled by union and employer representatives. As of this decree, the accounts will be controlled exclusively by the Labor Ministry.
- Besides government intervention in collecting contributions to the social-benefit funds and besides the elimination of the subsidy accounts, the decree provides for something that CLARIN reported yesterday: the promotion of joint arbitration boards company by company. This is actually the least traumatic change for organized labor, although it may arouse the biggest fears, especially among older leaders. Why? Because only the unions themselves can conduct negotiations by company, not the shop committees, as the advocates of the complete deregulation of the joint arbitration boards would like. The change is that the Labor Ministry is now empowered to open these negotiations at the request of either of the two sides, management or labor.
- The last major change is the deregulation of the length of the workday, which is a particular burden on commerce and port activity and has caused labor strife in both.

* CGT Factions Split

92SM0091B Buenos Aires CLARIN in Spanish 2 Nov 91 p 7

[Text]

Union Pressure To Change Article on Social Benefits

Union leaders moved yesterday to have the administration reverse its decision to divert social-benefit contributions to the Labor Ministry.

The efforts were undertaken by officials of the San Martin CGT [General Confederation of Workers], who found out about the decision on Thursday as they were meeting in the SMATA [Trade Union of Mechanics and Related Automotive Transportation Workers] building to discuss the housing plan agreed upon with the administration.

Until then the pro-Menem labor leaders thought that the decree would not affect the social-benefit funds. They realized, however, that Article 87 had been amended at the last minute, as CLARIN revealed yesterday, and that the new text places the social-benefit contributions of employers and employees in a new account opened by Labor Ministry to combine social-benefit funds and retirement funds.

A small union delegation discussed the issue yesterday with President Carlos Menem, with whom they conversed during the dinner at the Argentine Chamber of Construction. The chief executive forwarded the request to the secretary general of the presidency, Eduardo Bauza.

The meeting with Bauza took place at noon yesterday, and the two sides agreed to wait until Economy Minister Domingo Cavallo returned to the country.

The Two CGT's

As always when the posture towards the Peronist administration is involved, the pro-Menem San Martin CGT and the opposition Azopardo group yesterday voiced contrasting public positions on the deregulation of the economy.

Speaking on behalf of the pro-Menem union, its head, Raul Amin, voiced his support, while the Azopardo group expressed its opposition. The other main groups in organized labor said almost nothing. Metalworkers boss Lorenzo Miguel, the leader of the 62 Organizations, remained silent, and the same was the case with other leaders of this group. Armando Cavalieri, an independent, voiced satisfaction with the changes spurred by the administration; on the opposite side, Lesio Romero, from the meatpackers union and the leader of the Barrionuevo faction, said that economic deregulation "is an assault on the unity of the labor movement" and would encourage "the left's advance on the unions."

Amin, from the machinists union, described the new economic-policy moves as historic and even backed the administration's attempt to sidestep Congress, which, he said, "was an act of great political courage on President Carlos Menem's part."

Another of the heavyweights from pro-Menem organized labor, the secretary general of health, Carlos West Ocampo, explained that deregulation "harms the interests of corporative unionism, but not the interests of organized labor. They might seem to be the same," he added, "but they are not. The interests of unionized workers are one thing. And the corporative interests of unionism are another. The former are the legitimate interests of organized labor. The latter, in contrast, are the corporative interests of the leaders."

The Azopardo CGT, meanwhile, issued a communique, signed by the head of the drivers union and assistant secretary of the union, Juan Manuel Palacios, in the absence of Saul Ubaldini, who is out of the country. According to the Azopardo faction, the deregulatory decree imperils "the labor movement's last means of defense, among them the right to bargain collectively."

* Cardinal Notes Improvement in Social Conditions

92SM0110A Buenos Aires LA PRENSA in Spanish 8 Nov 91 p 1

[Text] Yesterday the bishops once again implicitly backed the economic transformation and attenuated their criticisms of the government over social conditions. Cardinal Antonio Quarracino, president of the Episcopacy, observed that "there are signs of improvement in the country."

In Quarracino's opinion, "the efforts being made by the government" to relieve the situation "are helping to keep the poorest people from despair."

The prelate formulated his opinions at a press conference held at the close of the bishops' plenary session at the Maria Auxiliadora de San Miguel House of Spiritual Worship, which began a week ago with a four-day retreat.

Quarracino was accompanied at the press conference by the first and second vice presidents of the Episcopacy, Monsignors Estanislao Karlic and Emilio Bianchi Di Carcano, and the general secretary of that high ecclesiastical body, Monsignor Jose Maria Arancibia.

"Reconstruction of the country and society, which are getting better, takes time," said the bishops' titular leader, who went on to affirm that "the situation is difficult, as those in power have repeatedly stated, but one sees a kind of hope in the people."

Concern

Quarracino said that during the bishops' exchange of ideas about national events from the pastoral perspective, there was manifest concern over "the poverty, in some areas bordering on destitution," that exists in the country.

He added the clerics' concern over "children in the streets, the unemployed, and the situation of the sick," while also observing "certain inadequacies or gaps in the administration of justice," although without going into further detail.

"We also discussed the problem of corruption, which embraces all forms of corruption of man and society, ranging from the moral permissiveness of customs, especially in the social communications media" and particularly television.

Drop in Unemployment

When asked about statements made by President Carlos Menem to the effect that "in Argentina, those not

working do not want to work," Quarracino said that in sectors such as construction, "there is a shortage of labor."

"There are signs—and I have no reason to think they are not true—that unemployment has dropped," the prelate said, adding that "there are unemployed people everywhere, even in the United States."

Furthermore, he said the bishops had dealt with their contribution to the basic document of the Conference of Latin American Bishops to be held in Santo Domingo in October on the occasion of the Fifth Centennial of the Evangelization of America.

Attention Getter

Quarracino said on this point that the prelates had voted for the delegation of Argentine dignataries who will attend the conference, but said the list could not be released until the Vatican gave its approval.

He said the bishops continued to analyze "a long document" on "Argentina as a Nation" that will be published next year and that he predicted will be "an excellent text which in my opinion will attract attention when it is released."

Finally, Quarracino said the bishops had decided to set up the Episcopacy's health committee, to be headed by Monsignor Jorge Novak, bishop of Quilmes.

* Plan To Reorganize Armed Forces Assessed

92SM0109A Buenos Aires LA PRENSA in Spanish 8 Nov 91 p 9

[Report by Carlos Manuel Acuna]

[Text] It was obvious to everyone that the replacement of the Army chief of staff was a matter of no little import when the words of the new chief, General Martin Balza, took a conciliatory tone with respect to the division within the military.

The proposal to design "a possible army," to use a phrase from a specific 20-page document, should therefore be analyzed and viewed as a feasible, minimum, perfectible, and necessarily changeable instrument, while containing points that cannot be modified and that respond to a whole series of modifications that could be implemented in the near future.

Proposal

The proposal to which we are referring includes various issues ranging from reorganization to the organic structure and policy to be followed with retired personnel, without excluding the issue of pay, replenishment of materiel, and the doctrine to be implemented.

According to our sources, this was not a matter decided upon "in order to emerge from the situation of paralysis, stagnation, and helplessness," but rather, a basic idea seeking to "design the Army we envisage so that we may overcome the current situation in which we are living."

In terms of the most salient features of this situation, there are five principal problems: 1) the lack of a clear, comprehensible objective; 2) the lack of financial resources; 3) poor allocation of resources; 4) very low pay of officers and noncommissioned officers; and 5) the deterioration of materiel and facilities.

The document "endeavors to present an overall reorganization of the Army" and emphasizes that it is not a matter of "restructuring," but rather, of "reorganizing the Army."

It goes on to note that "the people have a favorable image of their armed forces," but that "the military as a career has ceased being attractive," combined with generally declining means and resources.

By way of example, it mentions the problem with munitions, "which are not replenished," the lack of maintenance, declining morale result from the economic deterioration, the accompanying incidence of double employment, and inadequate reserves.

The document then explains how financial resources are distributed, immediately noting that the Army's "annual budget for the next four years will not be much greater than it is at present," there will be no special allocations, political difficulties persist in interpreting the proper role of the Army, the lack of "fundamental ideas" motivating officers, and finally, that resources from the sale of assets would be earmarked for future acquisitions.

"Let Us Build the New Army"

The proposal begins with this title and, after referring to Appendix 1 containing the diagram of a brand-new "general organization," it promotes the formation of an "extremely small general staff" designed as an "organ to advise and formulate policies," along with the following directorates, each having its own functions: Personnel, Operations, Intelligence, Logistics, Finance, and Institutional Affairs. The General Inspectorate of the Army is defined as the "element responsible for overseeing administration," maintaining that "the policy of the New Army must be centralized leadership and highly decentralized execution."

Under the Training and Doctrine Command, "the element responsible for instruction and training," come the army corps, brigades, and formations in all matters relating to these categories. As far as the corps are concerned, they would come under the EMGE [Army General Staff] "in all matters relating to personnel, logistics, finance, and planning."

Other directorates with highly specific functions are the General Territorial Directorate and the General Directorate of Support and Military Institutes, emphasizing

that as an immediate policy, it will be necessary "to reduce available human resources based on a clear concept of quality."

Reduction in Personnel

On this point, consideration would be given to reducing civilian personnel by approximately 50 percent, retaining those with the highest degree of specialization. A similar criterion would be followed with respect to military personnel, which objective would be achieved through "the modification of what is currently provided by law, with a more flexible system permitting a change in the practice of promotion based on seniority at every step to the next rank or in specific hierarchies (including officers and noncommissioned officers)." There would also be "examinations based on professional competency as an indispensable requirement for promotion at every step up to the rank of lieutenant colonel," along with the creation of "a system of the elimination of officers by a system of indemnifiation, basically in two tiers: The first would start at the rank of first lieutenant and corporal first class; the second, at the rank of sergeant major or sergeant first class. The system would be quite attractive from the economic standpoint and thus facilitate the retirement of a large number of officers or higher-ranking noncommissioned officers by virtue of voluntary compliance and improve the future situation."

Reference is also made to the need to learn other languages such as English and Portuguese, pursue a higher education, and adopt other measures to be discussed later.

* UCR Deputies To Decide Strategy in Congress

92SM0110C Buenos Aires LA PRENSA in Spanish 4 Nov 91 p 5

[Text] The Radical bloc in the Chamber of Deputies is to define its parliamentary strategy tomorrow based on the acute discomfort produced within the opposition by the establishment of economic deregulation in accordance with an order from the Executive Branch.

Sources close to the bloc have revealed that the bench led by Cesar Jaroslavsky will resolve to provide the quorum needed for normal operation of the Low Chamber's sessions, although it will obviously harden its position in the Chamber with sharp challenges to the National Government and even the semi-official bloc, anxious to pass an ambitious package of laws before the end of the year.

No credence is given to the notion that at the meeting of the UCR [Radical Civic Union] bench, the opinion backed by Jaroslavsky will prevail, for the latter has vigorously rejected the notion of not attending meetings until next year.

The veteran leader stated publicly that "not to provide a quorum is not a parliamentary, but only a totalitarian option," adding that "we endured it when we were in government, but since we are distinct from Justicialism, we cannot be guilty of the same schemes."

Whatever the case, debate is expected to be difficult because several deputies, led by Buenos Aires native Jesus Rodriguez, want drastic actions going beyond postponement of the political dialogue promoted by the government through the appointment of Jose Luis Manzano as head of the Ministry of Interior.

Radical attacks will be exclusively aimed at methods used by the Executive Branch to accomplish total deregulation of the economy, without censuring this objective which had been promoted by Raul Alfonsin's government since 1985.

At the fiery meeting of the opposition bloc on Thursday, Raul Baglini, the bench's economic expert, reportedly noted that "we have no major arguments for direct oppositon to deregulation, although we know it must not be compulsive or embrace the entire economic spectrum."

Based on that phrase of the deputy from Mendocino, one may conclude that the UCR will be cautious in its challenges, but harsh in terms of destroying what it labels as "a new enslavement of Congress's powers perpetrated by the authoritarian sign of the Executive Branch."

In this summary analysis, one should not lose sight of the fact that, individually speaking, the most hard-line deputies may not attend the Chamber's sessions, given the fact that the UCR bloc is in the midst of electing its new officers. This has divided the waters even more and substantially weakened the authority of Jaroslavsky, who will leave the Lower Chamber on 10 December.

Tomorrow's decisive meeting of the Radical bloc will also include the deputies elected, led by Buenos Aires native Fernando de la Rua, sure to succeed Jaroslavsky in the leadership.

Another equally important topic of the meeting will perhaps be consideration of a measure introduced by several lawmakers who propose to appeal to the Supreme Court of Justice to invalidate the deregulation order as "unconstitutional."

* Angeloz's Followers Reorganize in Buenos Aires

92SM0110B Buenos Aires LA PRENSA in Spanish 1 Nov 91 p 3

[Text] The faction headed by Melchor Posse and representing Eduardo Angeloz in Buenos Aires Province: Radical Recovery, will stage a provincial congress today attended by some 300 leaders for the purpose of reorganizing the internal line and formulating an "alternative proposal to the adjustment being carried out by the National Government."

Representatives from the different districts of the province will meet at 1600 in a hotel in this capital to hear a message specially sent by the governor of Cordoba hailing the measure.

Buenos Aires Radical Recovery, which in the last internal elections came in second with 35 percent of the votes, is made up of various anti-Alfonsin groups from the province. Among its most prominent leaders are Pascual Cappeleri, Evaristo Iglesias, Carlos Valerga, Luis Sagol, Antonio Troccoli, Cesar Garcia Puente, and Roberto Yrigoyen.

Posse, re-elected mayor of San Isidro, maintained that, "given the dispersion and crisis in other factions, our sector now has a majority in the district, but we must view that fact without arrogance in order not to repeat the mistakes of our adversaries. In other words, we must open our ranks to other expressions of the party, both traditional and involving young people."

Open Negotiations

The former precandidate for governor backs "open negotiations" with sectors of Renewal and Change which have distanced themselves from orthodox Alfonsinism, as well as with Federico Storani's National Opinion faction.

This attitude is resisted by more traditional leaders from Balbinism such as Troccoli, who defends the strategy of closing ranks with the supporters of Juan Manuel Casella who want to be independent of Alfonsin.

There are also differing views on time frames for the sector's tactics and while Troccoli prefers "to wait," following Angeloz's opinion, Posse and Cappelleri want to "move out now" and start occupying space.

"Buenos Aires will insist on the need to constitute a new faction nationally headed by the most capable, credible men of Radicalism, who unquestionably include Eduardo Angeloz, so that the party may once again take root among the people," Posse said.

Radical Recovery is to decide as early as today the orientation to be followed by its representatives in the legislative blocs and party organizations, given the imminence of coming elections of their officials.

Like Angeloz's supporters from Cordoba, it is known that they will vote for Fernando de la Rua for presidency of the bloc in the Lower Chamber and that they will back "consensus" mechanisms for electing the new party leadership, both of the National Committee, scheduled to meet on 15 November, and the party convention, to be held at month's end.

Moreover, it is likely that a place will be claimed on the new collegial leadership for the Radical Recovery's representative, Cappelleri, while Mario Losada or Horacio Jaunarena will be the new president of the UCR [Radical Civic Union].

Alleged Bribe to U.S. Firm Investigated

PY2711233891 Buenos Aires BUENOS AIRES HERALD in English 26 Nov 91 p 11

[From the "Argentina in Brief" column]

[Text] (NA)—Federal Judge Miguel Pons ordered yesterday a new investigation into alleged "reluctance" on the part of certain government officials, among them President Carlos Menem, in relation to a case concerning a deal made with a United States firm, Swift-Armour, for the import of machinery destined for a meat-packing plant. The measure is linked to an accusation made by US Ambassador Terence Todman, who claimed officials asked for bribes. Doubts also revolve around a meeting attended by various national cabinet members, which took place at the Olivos presidential residence last January 11. The investigation will involve the following officials: Eduardo Bauza, Antonio Erman Gonzalez, Gustavo Beliz, Domingo Cavallo, Eduardo Duhalde and former ex-officials: Fernando Niembro, Alberto Kohan, Roberto Dromi, Julio Mera Figueroa and Raul Granillo Ocampo. Pons attributed the new case to "contradictory statements made by cabinet members."

Russian Civil Construction Delegation Visits

PY2911204491 Buenos Aires Radio Nacional Network in Spanish 1500 GMT 29 Nov 91

[Text] With the goal of exchanging information on rendering fresh water and sewage services, as well as offering specific materials, a group of Soviet entrepreneurs visited the Mendoza Sanitary Works.

The delegation of staff members and executives of the Russian Federation civil construction consortium was headed by its vice president, (Pavel Bakulenko). The delegation was met by acting Mendoza Sanitary Works President (Luis Ante) and Directors Carlos Puentes and Sergio Marinelli.

The visitors arrived in this province after an initiative of the (Kontakt) company for entrepreneurial ties in Latin America, which works together with Moscow's news agency NOVOSTI, and with the cooperation of Argentine entrepreneurs, the Federation of Supplies and Services Cooperative, Ltd., the Cuyo Home, and a financial contribution by the firm Engineer Miguel Angel Montero Constructions.

During their meeting with Mendoza Sanitary Works staff members, the Soviets exchanged information and reviewed some concrete proposals to trade construction materials for fruits and vegetables.

It must be noted that the consortium represented by the delegation is the Soviet Union's largest enterprise, specializing in all type of urban construction, including housing, road work, etc., as well as in the production of equipment and machinery for this purpose.

Agreement Signed With Japan on Fishing Institute

PY2611200891 Buenos Aires Radio Nacional Network in Spanish 1500 GMT 26 Nov 91

[Text] Argentina has signed an agreement with Japan to build a fishing research institute in our country to ensure the rational use of maritime resources.

Bolivia

Government Promulgates Social Development Decree

PY2911204091 La Paz Television Boliviana Network in Spanish 1700 GMT 29 Nov 91

[Excerpts] For the first time in Bolivian history, a government has prepared a social development strategy that establishes priorities and governmental action for the area. Within this framework, the government will assign resources for this frontal fight against poverty that will begin now.

This strategy was included in an executive branch decree signed by the president of the Republic and his ministers during a cabinet meeting. In its most important part, the decree contemplates the urgent need to begin fighting poverty as soon as possible by assigning the basic funds to this fight, delimiting the groups that will be favored by the fight, and concentrating efforts in the implementation of the social policy. Expenses for social projects must be more effectively planned and controlled to better favor the groups that have a lower income. It is indispensable to implement institutional adjustments to advance a serious, consistent, and effective social policy. [passage omitted]

President Jaime Paz Zamora emphasized the importance of this supreme decree that authorized the implementation of the anti-poverty fight:

[Begin recording] We do not believe the anti-poverty fight is only beginning on 28 November or that this administration will be able to eradicate poverty in Bolivia during its two remaining years in office. This decree means that this administration is beginning to fight poverty, which is structurally encased in our society. I said the fight is beginning because future administrations will have to continue fighting poverty with the help of all Bolivians. This is why the guidelines for this fight were included in a ruling document, which must be complied with, and the terms of which are compulsory for future administrations. [end recording]

This decree approves loan contracts totalling $213 million.

ADN-MIR Office 'Practically Destroyed' by Bomb

PY0112194491 Madrid EFE in Spanish 1443 GMT 1 Dec 91

[Text] La Paz, 1 Dec (EFE)—An office of Bolivia's ruling coalition—(ADN-MIR) Nationalist Democratic Action-Movement of the Revolutionary Left—was practically destroyed today in the southern town of Llallagua by a dynamite charge planted by unidentified individuals, Llallagua radio stations have reported.

This was the only incident reported until midmorning today during the municipal elections taking place throughout the nation.

The radio reports said that the explosion, which occurred at 0230 local time, virtually destroyed the ADN-MIR office in Lallagua, which is 334 km south of La Paz.

The blast also shattered the windows of a bus parked nearby and damaged adjacent buildings.

There have been no reports of injuries caused by the attack, the perpetrators of which have not yet been identified.

Letter of Intent on Gas Sales Signed With Brazil

PY2711171291 La Paz Television Boliviana Network in Spanish 0200 GMT 27 Nov 91

[Summary] The Energy and Hydrocarbons Ministry participated in the signing by Bolivian Government Oil Deposits, YPFB, of a letter of intent with the Brazilian Petroleum Corporation, Petrobras. This measure helps to consolidate the energy integration process.

Petrobras expressed its desire to purchase 8 million cubic meters of Bolivian natural gas initially, with the option to purchase 16 million cubic meters according to the evolution of the Brazilian market.

Brazil

Watson To Replace Melton as U.S. Envoy

PY0212183091 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Nov 91 p 6

[Report by correspondent Paulo Sotero]

[Text] Washington—Alexander Watson, a career diplomat who has served twice in Brazil, has been nominated by the Department of State as U.S. ambassador to Brazil. Watson will be returning to Brazil by mid 1992. Richard Melton, the current U.S. ambassador, will return to the United States during the U.S. summer after having fulfilled two three-year terms.

Watson's name has already been submitted to the White House. Unless a stronger candidate is proposed by the private sector, diplomatic circles believe Watson's appointment by the beginning of 1992 is almost certain. An official source said yesterday that "Watson's appointment will be no surprise in view of his experience on Brazilian and Latin American affairs." The source, however, declined to comment on the selection process. Watson, a 53-year-old diplomat, is currently the second-ranking official at the U.S. mission in the United Nations.

Watson has spent almost his entire career in Latin America. In the last 10 years he has worked in the three Latin American countries that are most involved in manufacturing and trafficking cocaine — one of Washington's priority issues regarding Latin American policy. Watson has been deputy chief of mission of the U.S. missions in Bolivia and Colombia, and U.S. ambassador to Peru.

Watson's first post in Brazil was U.S. consul in Salvador (Bahia State) where he became friends with Governor Antonio Carlos Magalhaes, who at the time was serving his first term (1971-1975). Watson's eldest son, who was born in Salvador, is Governor Magalhaes godson. He returned to Brasilia in 1985 where he served for two years as deputy chief of mission to Ambassador Diego Asencio. Watson is a giant of a man, almost two meters tall, and an extrovert by nature. He is known by his Brazilian friends as Biggy [Grandao].

Sale of Nuclear Plant Equipment to Iran Denied

PY3011012891 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 29 Nov 91

[Text] Infrastructure Minister Joao Santana today denied in Sao Paulo that Brazil is willing to negotiate the sale of the Angra 3 nuclear plant's equipment.

He denied the report published by a Sao Paulo newspaper that negotiations in this regard are being carried out with the Iranian Government. What the Brazilian Government wants to do is to finish the Angra 2 project, Santana said. And even if it wanted to sell the Angra 3 equipment, Brazil still would need to sign the Vienna Treaty that restricts the sale of nuclear equipment only for peaceful purposes, he added.

[Begin recording] The government wants to finish Angra 2, 60 percent of which already has been completed. Regarding Angra 3, we already have made a decision to not make any more investments in this project merely because we have no resources. But in principle, the equipment is not for sale. However, if we finally decide not to build Angra 3, it is obvious that we are going to reduce the damage caused to Brazilian society due to errors that prevented development in this area by selling part of the equipment. But we are going to the market and see who is interested in buying Angra 3. If there is anyone willing to pay for it, we are going to sell it. [end recording]

The infrastructure minister made this statement while participating in a meeting in Sao Paulo with businessmen of the PNDE, National Trends of Entrepreneurial Bases [Pensamento Nacional das Bases Empresariais].

* Business Delegation Visits Iran 5-7 Nov

* Competition From Foreign Firms

92SM0121A Sao Paulo GAZETA MERCANTIL in Portuguese 5 Nov 91 pp 1, 6

[Article by Maria Helena Tachinardi: "Pressure on Iran To Win Contracts"]

[Text] Tehran—A number of businessmen accompanying Minister of Foreign Affairs Francisco Rezek on his three-day mission to Iran expressed misgivings yesterday over the political pressure being exerted by strong competitors such as Italy to win contracts which have already been decided in favor of Brazilian firms or which, during previous visits, the Iranian Government has more or less expressed a desire to see carried out by Brazilian groups.

One such group is the Andrade Gutierrez construction firm, which, in a consortium with the Soviet Union's Technopromexport, has beaten Italy's Cogefar-Impresit bid to build the Karun III hydroelectric plant by a margin of $60 million. Andrade Gutierrez, which has now "prequalified" for the project, is a candidate to carry out the civil projects, in which case its partner would supply the equipment for the electromechanical portion.

By the end of this month, the Iranian Government is to decide which groups will in fact be awarded the job. "We are entering the political sphere, and at this point, the Brazilian Government's support is essential," said Gilberto Grillo, an executive of Andrade Gutierrez, during a conversation the businessmen had with Rezek in Tehran before he met with Minister of Foreign Affairs Ali Akbar Velayati. Velayati told the Brazilian minister of foreign affairs that Italian Prime Minister Giulio Andreotti would be arriving here on the 17th to lobby Iran in favor of the Cogefar-Impresit consortium.

It is precisely for the purpose of giving a political push to the talks concerning various projects, many of which have been in the works since the middle of the last decade and were helped along by the visit by Minister of Infrastructure Joao Santana last July, that the minister of foreign affairs is in Tehran. He is not worried, however, by the outcome of the negotiations on Karun III. "Things have been moving along over the past two days," he said. There are two reasons for his optimism: he has been told by Velayati that Brazil is a priority partner, and he knows that the group of businessmen accompanying him "is constantly active."

The 2,000-megawatt hydroelectric power plant is an undertaking that will take seven years to complete. The civil projects alone will require $700 million, $350 million of which will be financed by the Bank of Brazil. It is possible that the Iranians will divide the project into "packages" and combine the activities of a group from one country with those of another group from a different country. There are rumors that the Soviets, who are in partnership with Siemens of Germany, are not in a good

position from the standpoint of the Iranians because of the economic crisis in the USSR and the resulting difficulty in financing the electromechanical equipment. The groups competing against Siemens-Technopromexport are Ansaldo-Gie of Italy and the Swedish-Swiss partnership of ASEA [expansion not given] and Brown-Boveri, which is competing on its own, with no partner in the area of civil construction.

The Zanini-Dedini consortium, which is interested in building seven sugar mills in Khuzestan, is not very frightened by foreign competition because Brazil is far and away more competitive than its industrialized partners in the area of sugar and alcohol production. Yesterday it received good news from the president of the national sugarcane company. He told Wolfgang Sauer, chairman of the consortium's board of directors; Maurilio Biagi, president of Zanini-Dedini; and diplomat Flavio Sapha, international adviser to the Brazilian Ministry of Infrastructure, that Iran would buy the equipment from Brazil. The problem now is the financing, which amounts to about $500 million. Minister Santana has asked his colleague in the Ministry of Economy, Marcilio Marques Moreira, to study the possibility of Brazil's guaranteeing, at least during the bidding phase, the loan that the consortium will have to raise.

Brazil is competing with 13 foreign groups to build the seven sugar mills, but Biagi believes that Brazilian technology is unbeatable. Moreover, the Iranians have been buying sugar from Brazil since the start of the last decade, when they first held talks in Sao Paulo with the businessman who opened up that market, Jacques Eluf, president of the IAT [expansion not given] Trading Company.

At yesterday morning's meeting, it was agreed that the memorandum of understanding on the "Sugarcane" [in English] project, which was signed by the two governments last June, will be turned into a bilateral protocol annexed to the official record of the meeting by the joint commission, over which Rezek and Velayati presided. "What that means is one more step forward," said Sapha.

Wolfgang Sauer is also working on the formation of another Brazilian consortium for setting up paper and cellulose mills that will use natural gas to process sugarcane bagasse into those products, which Iran imports in large quantities to meet the demand from its religious publishing industry. The bidding on that project should begin within three months.

Two other undertakings—the construction of 400,000 low-cost houses per year in 12 satellite towns surrounding Tehran for 5 million inhabitants and the supplying of cars for the capital's subway system—require a special political boost, as Minister of Foreign Affairs Rezek admitted yesterday. The subway falls under the direct jurisdiction of President Ali Hashemi-Rafsanjani, with whom the minister is to meet tomorrow. His agenda also includes a meeting with the president of the subway company.

But not everything is going well in trade relations with Iran, which is Brazil's largest supplier of petroleum. A document known as a side letter, which was signed during Joao Santana's visit in July, is not being complied with. The Iranians committed themselves to paying cash for imports from Brazil, a concession they made because Brazil began buying 180,000 barrels of petroleum per day, or 80,000 more than called for in the agreement of December 1990. It happens, however, that they are not complying with the terms of that document, because when the [Iranian] Central Bank receives the invoice from an Iranian importer, it treats it like one from any other country and does not pay Iran's suppliers for 360 days.

Yesterday a mission from the government was at the Central Bank to remind it of that commitment.

Businesswoman Marilia Valeska Popp, manager of international operations for the Tanac Corporation, which supplies vegetable tannin for leather tanning in Iran, was particularly concerned about the problem. Mario Fioretti, export manager for the Maxion Corporation, which is trying to supply kits for industrial tractors, also spoke to Rezek about the time it takes to receive payment. The side letter was signed in July by Petrobras and the National Iranian Oil Company.

Two Agreements Ready To Be Signed

Minister of Foreign Affairs Francisco Rezek will sign two agreements this Thursday: the first is a technical cooperation agreement between the Brazilian Postal and Telegraph Company (ECT) and its Iranian counterpart, while the second is a maritime transportation agreement to regularize traffic between the two countries, which currently takes place on a "spot" basis. The intention is to see to it that by making better use of ships, the freight cost will drop. The Confab Industrial Corporation, which supplies the Iranian petroleum company with welded pipe, will be one of the biggest beneficiaries of this new agreement in the field of shipping, predicts Flavio Sapha, international adviser to the Ministry of Infrastructure. But he says that Ripasa, which has just closed a deal to export paper, will also benefit. It will be possible to combine shipments of paper and steel pipe.

Today Rezek will visit the Central Bank museum and have lunch with his colleague, Ali Akbar Velayati. He will also go to the mausoleum where Ayatollah Khomeyni is buried. Tomorrow the minister of foreign affairs will have a meeting with the president of Iran, Ali Akbar Hashemi-Rafsanjani, and hold working meetings with Ministers Qolam Reza Aqazadeh-Khoi (petroleum), Namdar-Zangeneh (energy), and Isa Kalantari (agriculture). The minister will leave for Cairo, Egypt, on Thursday.

* Prices Negotiated on Contracts

92SM0121B Sao Paulo GAZETA MERCANTIL in Portuguese 6 Nov 91 p 6

[Article by Maria Helena Tachinardi: "Brazil Negotiates Prices With Iranian Government To Close Contracts"]

[Text] Tehran—The project for building the Karun III hydroelectric plant seems to be the one on which Iran and Brazil are closest to signing a contract. Yesterday the international adviser to the Ministry of Infrastructure, Flavio Sapha, told this newspaper that a mission of financial experts would visit Brasilia within the next few weeks to study the details of $700 million in financing for the civil engineering portion of the project. The Andrade Gutierrez construction firm is currently negotiating with the Iranian Government "inch by inch" concerning reductions in its bid price. The extent to which the firm has agreed to reduce its bid is not yet known. But in any event, if the contract is in fact awarded to Andrade Gutierrez, the Iranians will request financing for the entire amount, not just half (that is, about $350 million).

The final decision on the project will be known by the end of this month. But sometime before then, Italian Prime Minister Giulio Andreotti will be in Tehran to persuade Iran to give the contract for the electromechanical portion of the plant to the Ansaldi-GIE group. It is considered quite probable that the civil projects will be awarded to the Brazilian construction firm and that the electromechanical portion will go to the Italian group. The Soviets (Technopromexport), who are associated with Andrade Gutierrez, are practically disqualified.

The vice minister of petroleum, Razavi Hedayatzadeh, told this newspaper that Brazil's chances for being considered for big projects in Iran are quite good, but he stressed that Brazilian firms must meet the required conditions: quality, price, deadlines, and especially financing. Besides being traditionally skillful negotiators, the Iranians are demanding financing because to rebuild their country, they will need $24 billion annually, and that is almost double what they earn from petroleum sales.

Rodoyatzadeh, a shrewd negotiator who wanted to sell Brazil 200,000 barrels of petroleum per day when Minister of Infrastructure Joao Santana was in Tehran in July, is not accustomed to giving in. When Petrobras said it would never reach that volume, he finally accepted the figure of 180,000 barrels per day but included the provision that deliveries could vary by 10 percent up or down. Brazil currently buys 162,000 barrels per day, but under the two-year contract, which is renegotiable quarterly, it may import up to 198,000 barrels per day, according to information provided by Petrobras' sales manager, Mauricio Alvarenga.

The vice minister of petroleum regards the product he sells as being worth its weight in gold and not subject to barter. Theoretically, both governments use the petroleum argument as a chip in negotiating big projects such as the supplying of 700 cars for the Tehran subway (which would benefit Mafersa), the construction of Karun III, and the exporting of seven sugar mills. But the businessmen know that in negotiations with Iran, the ritual is different than the one followed in Brazil: in the first place, the Iranians "prequalify" the competitors and, after classifying them, begin a game that always induces the firms to lower their prices. That procedure takes place during the technical evaluation phase, when they start comparing prices by unit and by "package."

Negotiations to reduce prices have been a constant in recent days. Yesterday Rezek met with the president of the Tehran Subway Company, Asghar Ebrahim, who informed him concerning the situation in the bidding to supply 700 subway cars—a deal that is of interest to Mafersa. The Iranian official said that at $1.4 million per unit, the price bid by the Brazilian firm—which is in the process of being privatized—was too high compared to a bid of $700,000 submitted by one of Brazil's competitors, which Rezek decline to name. It is known, however, that when the president of China visited here recently, he submitted a bid with "frighteningly low" prices, as one Brazilian diplomatic source put it. The Iranians want to give the contract for the 700 subway cars to only one group. Brazil's chief competitors are China, Czechoslovakia, and Korea. The president of the Tehran Subway Company told Rezek that although the prices bid by Brazil's competitors were low, he doubted the quality of the product. Because of that, he asked Brazil to quote a new price with a more palatable offer. Rezek feels that a new proposal may be submitted to the Iranian Government even before the company is privatized. A source in the Brazilian delegation believes, however, that if it were in the hands of the private sector, Mafersa could offer more competitive prices.

The decision on the subway cars will be announced in three weeks, the minister said. To help in the negotiations with Iran, the Brazilian Government decided to publish in yesterday's edition of the DIARIO OFICIAL a new tariff on imports of pistachios; it dropped the rate from 30 to 15 percent. The biggest producer is President Ali Akbar Hashemi-Rafsanjani, who is meeting with Rezek today.

Businessmen in the housing area have managed to draw up a protocol stating that a Brazilian consortium with its Iranian counterpart will, under the supervision of the two governments, submit a pilot plan for initially constructing 10,000 out of a total of 100,000 units. In negotiations at the Ministry of Housing and Urban Development yesterday morning, the terms did not favor the Brazilians initially because the vice minister did not want to commit himself to 10,000 units under the pilot plan. But the businessmen in the sector, headed by the national secretary of housing in Brazil's Ministry of Social Action, Ramon Arnus Filho, argued that without an initial goal of 10,000 units, the Brazilians

would have no incentive to continue the negotiations, which are expensive because they involve travel and planning expenses.

The problem now is the financing, without which the Brazilian model, which includes technology transfer, will lead nowhere because, as one businessman in the sector pointed out, there is nothing the Iranians do not already know about building low-cost housing, considering that they have cities over 2,000 years old, one example being Isfahan, the ancient Persian capital. Iran is looking for financing, and the bidder who satisfies that requirement will have the advantage. Rezek has announced that Brazil will seek a loan from the UN Development Program (UNDP) to qualify itself for the project involving new towns.

The minister of housing and urban planning, Seraj-ed Din Kazeruni, told Rezek that technology transfer was important to his country and agreed with the terms of the Brazilian proposal, which calls for the formation of an international joint venture between two consortiums, one Brazilian and the other Iranian. The Brazilian side would include 12 companies, including Ceprohab, a group consisting of more than 20 firms.

Arnus Filho commented that the next step would be to determine the size of the project. He calculates that 10,000 units will cost $2 billion. However, he considers it more realistic initially to think about a contract for about $200 million, and that will become a reality only if Brazil obtains financing.

Addendum To Explain Signed Agreement

The official record that Minister of Foreign Affairs Francisco Rezek will sign tomorrow with his counterpart Ali Akbar Velayati will include an addendum concerning implementation of a document known as a side letter which Mauricio Alvarenga, sales manager for Petrobras, and Iran's vice minister of petroleum, Razavi Hedayatzadeh, signed on 7 July of this year during the visit to Tehran by Minister of Infrastructure Joao Santana. Alvarenga told this newspaper that unless details are provided concerning the procedures by which the Iranian Government is promising to pay cash for imports from Brazil, Iranian importers will not know how to operate and, consequently, will be unable to comply with the side letter.

The problem of the side letter is worrying the Brazilian delegation because payment in 30 days—considered the same as cash—makes Brazilian products more competitive than those of competitors, who receive payment in 760 [as given; presumably 360 intended] days, that being the time Iran usually takes to pay.

The explanation that Brazilian officials received from A.E. Allahyari, manager of the Department of Foreign Transactions at the Markazi Jamhouri Islami Iran Bank (Central Bank), was that he did not know the document was in effect because it had not been signed directly with the bank. The interpretation by official Brazilian sources is that the Iranian Government simply intended to delay payments. Hedayatzadeh has said, however, that the side letter is in force and that it will be complied with.

* Iran Presses for Lower Prices

92SM0121c Sao Paulo GAZETA MERCANTIL in Portuguese 7 Nov 91 p 3

[Article by Maria Helena Tachinardi: "Iran Pressures Brazil to Reduce Contract Prices"]

[Text] Tehran—By stating flatly that he was not willing to engage the services of Andrade Gutierrez if the construction firm did not lower its prices even further, Iran's minister of energy, Bijan Namdar-Zangeneh, caused an unexpected difficulty at yesterday morning's meeting with Minister of Foreign Affairs Francisco Rezek and the latter's party. This was the third of Rezek's four meetings and the toughest. The Iranian minister, using the classic negotiating method that consists of playing one competitor against the other, told Rezek and the executives of the construction firm—Gilberto Grillo and Jose Mauricio Bicalho Dias—that the Brazilian price was from $6 million to $7 million below that of the second competitor, the Italian consortium of Cogefar-Impresit, which, in his estimate, is at a higher technological level than the Brazilian firm and has experience throughout the world. For that reason, the Iranian Government feels that Andrade Gutierrez will have to lower its prices even further, something it has already done within the past two weeks in what Grillo calls a unilateral and substantial manner.

Zangeneh's demand, which was expressed at a political rather than a technical meeting, surprised diplomats and all the businessmen except the executives from Andrade Gutierrez, who said they were accustomed to Iranian tactics. "It was no big shock. The bidding is going well because we have the lowest prices, and the technical arrangements are favorable to us," commented Grillo, who did not say whether his firm would reduce its prices further and did not explain what strategy it would adopt, claiming that the matter was being kept confidential so as not to help the competitor.

As far as Andrade Gutierrez is concerned, the proof that Iran is interested in awarding the project to it is that a technical mission will visit Brasilia between the 9th and the 16th of this month. That delegation, consisting of representives of Iran's Central Bank and the customer (the Iran Water and Power Resources Development Company), will meet with officials from the Central Bank, the Ministry of Economy, and the Bank of Brazil who are connected with the Export Financing Program (Proex). "That shows that we are in a good position," said Grillo.

Karun III with its 2,000 megawatts will cost $1.5 billion, including $700 million for the civil engineering portion (which Andrade Gutierrez would be responsible for) and $800 million for whichever group wins the contract to supply the electromechanical equipment. Competing in

that area are Technopromexport of the USSR in association with Siemens of Germany and the Ansaldi-Gie consortium of Italy.

According to Grillo, the Brazilian Government has already made a firm offer of $155 million. Proex will have to grant another $137.9 million to complete the financing for Andrade Gutierrez. In addition, the firm will have to find another $110 million on the international market for financing the Iranian portion of the contract. The remaining $300 million will be financed in rials (the Iranian currency).

The Proex line of credit, which replaces Resolution No. 68, calls for normal payment at market rates. Another reason why Andrade Gutierrez feels that Tehran wants it to carry out the construction project is that the customer has asked it to absorb another Brazilian firm's share in the civil construction work. That has the effect of increasing the amount of financing it will have to obtain.

The Iranian Government has been giving indications that it prefers not to tie the export of 180,000 barrels of petroleum per day to the projects which Brazil wants to carry out. According to Grillo, however, Brazil is a political priority as far as Iran is concerned, especially since the latter can count on the transfer of Brazilian technology, a factor that places the firms in a favored position.

About a month ago, when Minister of Infrastructure Joao Santana was here for the second time, he reiterated the importance to Brazil of Karun III, the supplying of 700 cars by Mafersa for the Tehran subway, and the exporting of equipment for setting up seven sugar mills in Khuzestan.

The construction firm and the government anticipate that the civil engineering portion of the hydroelectric plant will be carried out by Brazil. The final decision will be known at the end of the month. According to Grillo, Rezek's presence in Tehran had a positive effect because it showed the government's commitment to construction of the power plant. The minister of foreign affairs said he was not building up his hopes too much and added that he was not surprised by Zangeneh's tough message.

Andrade Gutierrez rejects the argument by the minister of energy that its Italian competitor has better technology. "We have the same experience or more, because we did the concrete work at Itaipu and at other power plants," the construction firm executive said.

The Technopromexport/Siemens consortium is also engaged in tough political negotiations with the Iranians. Iran separated the civil engineering portion from the electromechanical portion to prevent the Brazilian construction firm from hiding behind the low bid submitted by the Soviet firm. Despite rumors that Iran is going to hire Ansaldi-Gie instead of the Technopromexport-Siemens consortium, Grillo still has faith in the original solution—that is, Andrade Gutierrez in partnership with that last-named consortium. If it wins the contract, the construction firm will first sign a letter of intent, probably in December, and then sign the contract after obtaining the financing.

Contracts

Within the next few days, Braspetro will know whether the Iranian Government will award it the contract for onshore gas exploration in the North Kangan field, where construction work is estimated at $66 million, that being the amount at which it was awarded the contract after reducing its price by $6 million.

Rezek met with Iranian President Akbar Hashemi-Rafsanjani, who asked the Brazilian businessmen to deal realistically with the problems related to the projects—Karun III, the Tehran subway, and others. He pointed out that Brazilian-Iranian cooperation on the Karun III hydroelectric plant would be "a symbolic landmark."

The president surprised the Brazilian party by asking specific questions about Brazil. He wanted to know how many government employees there were and asked what percentage of them worked in education. He asked about the foreign debt, the balance of payments, the origin of the indebtedness, and negotiations with the IMF.

Rezek also met with Minister of Energy Bijan Namdar-Zangeneh and Minister of Agriculture Isa Kalantari. He discussed the Karun III project with the former and Iran's plans to build sugar mills with Kalantari, who was in Brazil a few months ago.

While Rezek was making political contacts to help put Brazilian firms in a better position to win the Iranian contracts, a number of businessmen were closing and initiating deals. One of them was Mario Fioretti, export manager for the Maxion Corporation. He signed an agreement with the Iran Truck Manufacturing Company to supply 558 industrial tractor kits valued at $6.8 million. In return, Maxion will import $701,000 worth of spare parts from Iran for use in manufacturing tractors in Brazil. The kits are to be delivered within the next 180 days. This is Maxion's second contract in Iran.

Agreement Signing Day

Minister of Foreign Affairs Francisco Rezek is ending his visit to Iran this morning by signing a memorandum of agreement referring to the areas of cooperation covered during the second meeting by the joint commission, which was held last weekend. Iran declared its intention to export other products to Brazil besides just petroleum. The Brazilian Government expressed an interest in being included in the country's reconstruction projects. The businessmen were pleased by the inclusion in the final act of a statement that the Iranian Government would implement the side letter concerning cash payment for goods exported from Brazil. That side letter was signed in July 1991 by the National Iranian Oil Company (NIOC) and Petrobras, but has not been implemented.

The Brazilian Postal and Telegraph Company (ECT) and its counterpart signed a memorandum of agreement covering cooperation in reorganizing the Iranian system. Also signed were protocols covering cooperation in the field of ocean transportation and joint participation by Brazilian and Iranian firms in a pilot project for building 10,000 housing units in the new towns being planned by Iran.

Rezek leaves today for Cairo, where he plans to discuss Brazilian participation in a number of projects, including construction of the Alexandria-Salum Railroad at a cost of $500 million.

Bank Receives 489 Million Cruzeiros From Auction

PY3011020891 Brasilia Voz do Brasil Network in Portuguese 2150 GMT 29 Nov 91

[Text] The National Bank for Development and Participations, Bndespar [Banco Nacional de Desenvolvimento e Participacoes, a subsidiary of the National Bank for Economic and Social Development] today collected more than 480 million cruzeiros from an auction in Sao Paulo.

Preferential shares of the Iron and Steel Industry Metal Leve were auctioned today in Sao Paulo in two lots. One lot belonged to Bndespar and the other to third parties. They totaled 5,942,642 shares.

The minimum price was 290 cruzeiros per share. A total of 53.6 percent of each lot was sold, which yielded a total of 924,534,980 cruzeiros. Of this, Bndespar received 489,821,440 cruzeiros.

Chile

Aylwin Defends Cuba's Self-Determination

PY0312140891 Santiago Radio Chilena Network in Spanish 1000 GMT 3 Dec 91

[Excerpts] President Patricio Aylwin has expressed willingness to defend Cuban self-determination. He also said that human rights must be respected and democracy restored in Cuba. He made these remarks in Cartagena de Indias, Colombia, where the Latin American presidents are meeting. Our special correspondent Maria Angelica Rodriguez will give us further details on this from Cartagena.

[Begin recording] [Rodriguez] There is consensus regarding Cuba among the 13 presidents who participated in the fifth summit of the Rio Group. They feel that the Cuban people should have freedom of expression. This proposal does not seek to impose pressure, but persuasion, respecting the peoples' right for self-determination and the principle of nonintervention. [passage omitted]

In one of his last activities in Cartagena, President Aylwin received in his hotel Cuban dissidents of the Castro regime, and Christian Democratic and liberal leaders. Aylwin then referred to the Cuban issue.

[Aylwin] We defend the right for self-determination, and we also want Cuba to respect human rights and to return to the democratic system.

[Rodriguez] We would like to see Cuba fully reinstated into the framework of Latin American countries, based on the acceptance of the principles and rules for democratic coexistence, President Aylwin said. [end recording]

Ominami 'Seriously' Injured in Car Accident

PY0412013091 Santiago Television Nacional de Chile Network in Spanish 2330 GMT 3 Dec 91

[Text] In another amazing news report today, Economy Minister Carlos Ominami was seriously injured after his car overturned. He—along with Sernac [National Consumers Service] Director Luis Sanchez Castellon, who was also seriously injured—was traveling to Valparaiso.

[Begin relay by reporter Arturo Harlen] The accident took place at about the 17 km mark on Route 68, which leads to Valparaiso, while the economy minister and Sernac Director Luis Sanchez Castellon were heading for Congress to discuss the consumer defense bill.

On the route, driver Raul Gomez Tobar lost control of the vehicle, the cause of which is being investigated, and the car overturned on the right side of the highway.

The driver and the two passengers were flown to Carabineros Hospital by two Carabineros helicopters.

An official report on the condition of the injured people was released about two hours after the accident.

[Begin Carabineros Hospital Deputy Director Dr. Andres Ibarra Polo recording, in progress] ...treated in this hospital with the following clinical conditions: Minister Ominami has a craniocerebral traumatism, a dorsal contusion complicated by a fractured rib without neurologic damage, and a scalp contusion. His vital signs are stable. He is conscious.

Sernac Director Sanchez has a craniocerebral traumatism and a scalp contusion. For the same reason, he is listed in serious condition.

Gomez, the driver, has multiple traumatisms and an extensive scalp contusion. At this moment, he is undergoing surgical cleaning and is listed in serious condition. [end recording]

[Begin recording] [Manuela Gumucio, Ominami's wife] He is conscious. He is all right and the medical reports are fairly reassuring.

[Unidentified reporter] And his state of mind?

[Gumucio] I believe he is a little shocked because it was a violent collision and especially because it was initially

believed that the driver's condition was very serious, but he is also out of danger. [end recording]

Many government dignitaries, including Finance Minister Alejandro Foxley and Energy Minister Jaime Toha, went to the hospital to learn more about their colleague's condition. Fortunately, none of the three injured people are in danger.

Dr. Ibarra made it clear that the injuries were described as serious just because the injured people must be monitored. He added that another official communique on the condition of the economy minister, the Sernac director, and the driver will be released tomorrow shortly before noon.

Leftist Group Wants Asylum Granted to Honecker

PY2911191691 Santiago Radio Chilena Network in Spanish 1600 GMT 29 Nov 91

[Text] The Movement of Leftist Democratic Participation [Movimiento de Participacion Democratica de Izquierda—PDI] has urged the Chilean Government to grant political asylum to Erich Honecker, former East German dictator. This was stated by movement Secretary General Antonio Leal, who, together with Sergio Vuskovic, spoke about the subject.

[Begin Leal recording] The Movement of Leftist Democratic Participation asks the democratic government to immediately grant asylum to Erich Honecker. We ask all groups to regard this as a humanitarian issue, leaving aside any political judgment that history and the inhabitants of the former GDR already have settled or cold war ideological pretexts, which are not in keeping with the will of building a new international order. [end recording]

Leal added that the commitment is great since many Chileans lived in exile in the former GDR, where they were received with a humanitarian spirit of generosity and solidarity. Leal also said that demanding that Honecker obtain a passport is absurd and bureaucratic. He is cornered and alone in a country that is a living contradiction, which may lead to its disintegration. His return to Germany, where the government wants to judge him and condemn him for alleged crimes, which only exacerbates hatred and fanaticism. All this is nothing but an aberration and a new blow to the inhabitants of the former GDR, who are being treated as second-class Germans. The PDI also requests that Chile support the UN motion of sending peacekeeping forces to Yugoslavia, as well as the proposal to create a constitution for the international community.

Needs Passport To Gain Asylum

PY0312124091 Santiago Radio Chilena Network in Spanish 1000 GMT 3 Dec 91

[Text] Acting Foreign Minister Edmundo Vargas has stated that Chile will not be able to grant asylum to former East German President Erich Honecker if he does not carry a valid passport. He added that asylum is granted to those who are persecuted for political reasons, and, when granted, it is appropriate to issue a statement on the reasons for which this person is being persecuted.

He added that the reported reciprocity does not apply in this case because the extinct GDR had granted asylum to Chileans who were indeed facing political persecution. He added that the German Government has ordered Interpol to arrest Honecker should he arrive in the country.

He explained that should an extradition be requested, the decision must be made by the Supreme Court and not the government. He said that the Supreme Court could order Honecker's arrest, and that the unconfirmed news published in Berlin that the Chilean Government will reportedly authorize his entry into the country for Christmas would represent a very big risk for Honecker.

Peru

Fujimori on Asia Trip, Recent Decrees

PA2611181491 Lima Panamerican Television Network in Spanish 0220 GMT 25 Nov 91

[Interview with President Alberto Fujimori by Guido Lombardo at the Presidential Palace in Lima on the "Panorama" program—live]

[Text] [Lombardo] As announced, we are here at Grau Hall in the Presidential Palace, where President Fujimori is kind enough to receive us. Good evening, and thank you.

[Fujimori] Good evening to all.

[Lombardo] I would first like you to assess your recent trip to Southeast Asia.

[Fujimori] It was very positive. To begin with, I was astonished that Peru had not contacted these countries earlier, as they show great vitality and undoubtedly constitute one of the area's most powerful economic engines. That is what they certainly are going to be very soon, in this decade; there is no need to wait for the next century.

[Lombardo] Do you think Peru can follow that example?

[Fujimori] We are getting there a little late. To be sure, I was the first Latin American president to visit that area. The developed countries, however, are taking advantage of that whole vitality. Peru is getting there in time, because the area's economic boom is so great that Peru, as part of the Pacific basin and a producer of raw materials and unfinished products, may supply those countries' enormous demands. In the short-run, we can profit greatly from foreign commerce.

[Lombardo] Does that mean we accept continuing to export raw materials?

[Fujimori] No, because those countries are not solely interested in raw materials. They have state-of-the-art technology. They are interested in products that are a little more processed, and that is our goal.

[Lombardo] That means increasing the value of our exports.

[Fujimori] Exactly. That is why we have all these laws to promote foreign investment.

[Lombardo] Many of those countries achieved their economic development simultaneously with some degree of political authoritarianism or a strong government that participated in the economy. Some want to see a connection between your trip and enthusiasm for these countries and an authoritarian vein.

[Fujimori] Authoritarianism is one thing and leadership is another. The government, the president, must demonstrate that there is leadership. In that respect, I will not yield one bit.

[Lombardo] When the country was discussing this flow of laws from the executive, the government, you traveled to Southeast Asia, as if you did not want to lead the discussions.

[Fujimori] As you know, I do like to face challenges. As a matter of fact, I was sorry that the appointments coincided with my trip. We had worked for five months to draft those decrees. Decrees cannot be drafted in a week; they take a long time. We have drafted over 120 decrees that really change the country's panorama.

I left because I received invitations that I believe were important for the country. I was the speaker at a symposium attended by 200 businessmen, who sell over $250 million every year. The symposium was organized by BUSINESS WEEK magazine, one of the most prestigious business magazines in the world. That event was held in Hong Kong and later in San Francisco, and it was a success. These are separate from other visits and meetings we held at other levels. I believe this trip had a positive balance.

On returning I was a little surprised and amazed by statements and stances from people who say the trip was not timely, etc. But the people know that all these trips are part of a program. We must no longer stay isolated from the world. The isolation has not only been financial but also in foreign trade with those countries and all the world. I am amazed by the fact that I was the first president to officially visit Spain, for instance. [sentence as heard]

[Lombardo] You were the first Latin American president to visit those countries?

[Fujimori] Yes, to Malaysia, Thailand, and Singapore. Well, in that sense I am very proud.

[Lombardo] You have finally discovered a world that was hidden from us, and as you say the people—the majority of those who were polled in November—approve of your Southeast Asia trip. And, as the people who watch the "Panorama" newscast know, since we have broadcast the results of those polls, the majority of the people approve of most of the decrees regarding economic topics.

Some of those topics, not the economic ones but those related to pacification, national mobilization, and the struggle against subversives, are being questioned, although not by the public because the decrees had not been issued when the polls were taken. However, the decrees are being questioned by the press. I would like to refer to some of them, Mr. President.

[Fujimori] Of course, but allow me to clarify something. The decrees may be questioned and the disapproval rate may be more than we had expected because there has been disorientation and disinformation surrounding the decrees. The interpretations have been liberal and there has not been enough analysis. But that is a good reason to do it now.

[Lombardo] It is a good opportunity. About the National Police, President Fujimori, we have just seen a report...

[Fujimori, interrupting] I congratulate you for your objectivity in looking at the problem. I believe these are ways of denouncing, I too denounce, all the irregularities. If television people, like you of "Panorama," do it, that is good. We must correct all those situations.

[Lombardo] But what can be done? Apparently, judging by some of these 126 decrees that deal with the National Police, it is believed the problem will be solved by unifying the leadership. Do you believe that?

[Fujimori] First, I will clarify something I said in my message to Congress. Let us not generalize everything. There are 80,000 or 85,000 policemen who fulfill a duty that implies many sacrifices. Many of them, approximately 1,000, have lost their lives. An abnormal situation has dragged on for years. I have found that, for a policeman to be considered a policeman, he had to go through six months of training. Then, after that short period, he went to work. Police who committed crimes were not tried in normal courts or through a normal process, but by a special court and, besides that, if sentenced to jail, would get certain privileges. We are correcting that.

In the first place, training is not limited to only six months. Now training takes nine months and we will expand it to 12 and later 18 months. This will allow us to train policemen better and we will have a better selection.

Secondly, any policeman who commits a crime will no longer have privileges and protection. He will go to common jails. That was clearly established through a legislative decree.

Furthermore, this single command was established because there was true disorganization. There were technical police, security police, general police, and in some areas, there were three commandos. There was total disorganization in that sense.

[Lombardo] However, Mr. President, I must confess that I am saddened to hear you say that we should not generalize because there are 80,000 policemen and only a small number act incorrectly. I believe it is indeed a small percentage. But it is not a problem only of corrupt officers but rather that the institution has not been able to respond or that society and the government have demanded more than the institution is capable of giving. The institution, as a whole, has a problem and I believe we must not close our eyes to it.

[Fujimori] We are not closing them. Regarding, the specific case you have pointed out tonight...

[Lombardo, interrupting] What will be done in [word indistinct]...

[Fujimori, interrupting] Exactly. That problem has dragged along for years, and even with U.S. Government approval. They talk about human rights, but the DEA is participating in those operations. That happens because the poor coca leaf producer is considered a criminal.

[Lombardo] And the Fujimori doctrine has recently agreed that producers are not criminals?

[Fujimori] Indeed, we have gotten the United Stated to accept that they are not criminals. So now—and this will take some time of course—these farmers are not supposed to be treated as criminals, and there really is no reason for confrontations with the police. Police have no reason to act that way. Then again, every social relations process like this takes time. We hope to complete it in the shortest time possible to end this situation.

[Lombardo] Mr. President, you have referred to organizations that defend human rights as legal branches of subversion and accomplices and agents of terror. The Amnesty International report published last week and the letter addressed to you by Ian Martin, its president, referred to how you alluded to the organization. It is obvious that there are exaggerations in the Amnesty International report even though we cannot ignore the fact that people have disappeared; that there have been extrajudicial executions; and that there have been actions, such as those we have seen tonight in Tocache, that violate human rights [referring to an earlier report on the television program about complaints of police brutality]. Your administration has drawn up and announced rules or norms of human rights. Are they going to be firmly fulfilled?

[Fujimori] They have been fulfilled through our actions without even having announced the entire policy on respect for human rights. You should not forget that in the beginning of my administration, there was an average of 30 reports of disappearances a month. That was horrifying. This has been decreasing significantly...

[Lombardo, interrupting] But it continues to be terrible. There are 250. [sentence as heard]

[Fujimori] It continues to be terrible; there are three reports a month. That is horrifying. We want to bring them down to zero. Evidently, there are some abuses. You have seen that yourself. However, regarding Amnesty International, I have adopted a very clear position. I have done the same regarding Americas Watch. I have not only said it here, but I have also said it at [words indistinct] universities. I have denounced this at Berkeley. I cannot accept the fact that two organizations that call themselves defenders of human rights remained silent for more than eight years, without reporting a single violation of human rights. I have mentioned specific cases, such as that of the boy who was used as a mine detector. I will continue to make this known until these organizations, which say they defend human rights, denounce the Shining Path's position to the international community. I have also sent a letter. In this same room, I met with the OAS Human Rights Committee and presented a letter to that committee stating my administration's position on the defense of human rights. I also urged the OAS to ask those organizations to denounce the Shining Path. As long as the Shining Path's violations of human rights are not publicized, it is going to continue to act with impunity.

[Lombardo] As they are doing right now in Europe, where [words indistinct].

[Fujimori] That is right. However, I think that with this denunciation we are issuing at the government level, things will change. Nevertheless, the denunciation that Amnesty International says it makes against the Shining Path in its latest report is really cowardly. Peru finds it unacceptable. Peru finds it unacceptable for the defense of human rights.

[Lombardo] Former President Belaunde said the same thing during an interview we aired earlier on this "Panorama" program tonight. He rejected the Amnesty International report and expressed solidarity with you on this issue and other topics. I would like to continue to quickly review the decrees issued by the government. We are not going to review each of the 126 decrees. We will just discuss some of the more controversial ones. There is one that affects journalists. Decree 762 states that anyone who publishes documents considered to be confidential by the national defense system will be deprived of his freedom for five to 10 years. The objectivity of "Panorama", which you have just recognized and which we greatly value, will end. We will not be able to state objectively: this document says such and such a thing, because we will be afraid that ["Panorama" Director] Mr. Gonzalo Rojas might be imprisoned for five years because "Panorama" broadcasts a document that the national defense system, using who knows what criteria, believes is confidential.

[Fujimori] I am going to send you a letter of congratulations for your reports. However, if you air a report on a document which at the top says, secret or strictly secret, and which belongs to the national defense system for reasons of defense or security—such as the conflict with Ecuador or terrorist affairs—then yes, you would be subject to imprisonment. But this is obvious. The state must defend itself. The country must defend itself. We are not going to accept the leaking of secret reports by the media. We must punish those responsible. We must be drastic in this regard.

[Lombardo] With due respect, I think the government has to defend itself, but civilian society must also defend itself from the government. Freedom of the press is one of the mechanisms for that defense. For example, it was discovered...[pauses] evidence was obtained concerning the identity of the persons who perpetrated the massacre of Barrios Altos from a document the National Defense System considered secret. Does this kind of decree preclude cases like the Barrios Altos massacre?

[Fujimori] I will tell you about that. It was not a secret or authentic document; it was a hoax. That is a fact. The media handled this in an irresponsible way. We have freedom of expression and press here; it has been proved during the last 15 months. I will certainly continue to maintain that policy. However, one thing is freedom of press and another thing...

[Lombardo, interrupting] An irresponsible and tactless handling of information.

[Fujimori] It is dangerous for our national security.

[Lombardo] Is it strictly on national security issues?

[Fujimori] The decree clearly says national defense.

[Lombardo] National defense...

[Fujimori, interrupting] Article 331 states that revealing the contents of documents about secret national defense activities...[pauses] we are talking about national defense, gentlemen. We must all defend Peru.

[Lombardo] When there is an internal conflict—like the one we have—can we extend the term national defense too much? When we report events like the one in Tocache, we are also...

[Fujimori, interrupting] Well, when there are excesses you must also report them. Of course.

[Lombardo] Too bad...

[Fujimori, interrupting] We are in a democracy.

[Lombardo] Too bad that we have to interrupt our conversation, Mr. President, but a short station break is necessary. Friends, please do not go away. We will soon return from the Grau Room at the Government Palace, where we are having an enlightening talk with Engineer Alberto Fujimori. [breaks for commercials]

[Lombardo] Engineer, we continue our dialogue by returning to the same topic, meaning the decrees concerning the pacification, national mobilization, and antisubversive struggle. For example, Decree No. 740 militarizes the antisubversive struggle by placing the political-military command, rather than the civilian authorities, in charge of all the decisions in the emergency zone. Even retired generals feel the time is appropriate to render the antisubversive strategy more political than military.

[Fujimori] The police corps has been placed under political-military command authority. The political-military command is also in charge of the police corps in the emergency zone. However, what has been stated is not exactly correct. I have Article No. 1 right here and we must read...[pauses] we must take our time because 128 legislative decrees will certainly not be assimilated in a short time.

Article No. 1 says: A) Assume the initiative of coordinating actions—hear me well—assume the initiative of coordinating actions to guarantee the participation of public and private groups located in the emergency zone for implementation of plans and general instructions issued by the Executive Branch to achieve national peace. This includes activities in the education, health, transportation, and other sectors.

B) Coordinate actions with the...[pauses] coordinate—pay attention to the verb—with public and private groups implementation of pacification and development plans for the zones under their jurisdiction. Consequently, there is no such thing as a vertical command.

[Lombardo] Authorizing the political-military command to take the initiative and coordinate...

[Fujimori, interrupting] It involves taking the initiative to coordinate things. It is different. It is not simply taking the initiative to conduct actions.

[Lombardo] I admit that you have enlightened me by reading the articles and that I must say "touche" when you said I must take the time to read the 128 articles.

[Fujimori] Yes.

[Lombardo] I still think that the strategy should be more political than military. I believe it is not politically wise to grant the political-military command the initiative, even if only for coordination purposes.

[Fujimori] No, what we are doing is making sure that the Armed Forces do not act strictly militarily. This is what has been obvious for several years and you proved it in the program about the Ashaninkas tribe members. We have not brought weapons or ammunition to their area. In fact, we think that the repressive military treatment used during the last two administrations should cease.

[Lombardo] The decrees give the impression of excessive militarization. Decree 746 makes it mandatory to provide to the intelligence services—and intelligence services are now being created even in some ministries, such as economy, finance, and foreign relations—all documents and information they request. In principle, it seems reasonable to provide any documents that can be useful for national defense.

[Fujimori] It would be necessary to examine those points individually. We should not be biased and say the country is being militarized. Some of the measures taken are necessary, such as, allowing the Armed Forces to enter the university campus.

[Lombardo] I was just going to mention that.

[Fujimori] I have been president of the National Council of Rectors and I am familiar with the nature of universities. Which government has taken an initiative or a single action to deal with the subversive and terrorist cells supported by the university community? Absolutely none. I have gone to the universities personally to restore order and establish discipline so young people can study and the universities can fulfill their missions. All of these government actions are supported by the university community, particularly the students. The Armed Forces participate in these actions, but in a different way. Less militarily, but more politically, if you wish, even with the peasant defense patrols. We are calling the civilian population to the struggle against terrorism. We cannot leave the peasant defense patrols and rural communities in the hands of the Shining Path. These patrols and communities must apply the universal principle of self-defense.

[Lombardo] Do you think you have the support of the university community for these measures?

[Fujimori] The opinion polls will surely disclose that. I can measure this support by the way I am received at universities.

[Lombardo] Let us discuss the economy. I will not refer to those measures that appear to be clear, like eliminating some of the state monopolies. Why, in the midst of this liberalizing drive, do ranchers still receive privileges and the import of powdered milk is banned?

[Fujimori] Keep in mind that we are touching only on the controversial subjects.

[Lombardo] That is correct.

[Fujimori] This can distort the image of the legislative decrees. We are dealing with a liberalizing, stimulating, or developmental trend in the country, such as the promotion of investments; participation of private enterprise in energy, water and sanitation systems, pension funds, and social security. There are a number of fields involved.

[Lombardo] I think you are right. We have shown the people support certain measures. I want to refer to the controversial decrees, such as social security.

[Fujimori] No.

[Lombardo] Excuse me.

[Fujimori] I did not want to change the subject. You asked me a question regarding milk.

[Lombardo] I meant the ban on importing components to process milk, which will profit ranchers.

[Fujimori] This is for the protection of the consumer. Naturally, the consumer must find a way to defend himself, but the state gives him the necessary framework. If the businessman wants to sell evaporated milk, so be it, but he should not sell evaporated milk under the label of recombined milk. What we want is...

[Lombardo, interrupting] Forgive me for the interruption, Mr. President. What has been banned is, not the manufacture of recombined milk, but the processing of milk itself, not if it is called evaporated or otherwise. For instance, powdered milk could not be imported, recombined and sold.

[Fujimori] Look, this is very simple and does not require too many explanations. We have to tell the coffee producers: If you want evaporated milk under these conditions, from powdered milk and water, go ahead. Do not buy a can with water in it. The milk from our cattle should be processed to produce evaporated milk. I wish we could produce powdered milk on a large-scale basis. No protectionist measure is being applied to any particular sector. We are protecting the consumers.

[Lombardo] Regarding social security and the Peruvian Institute of Social Security [IPSS]. A number of (?incidents) have taken place involving several IPSS officials. What do you think? I can sense great confusion and we do not know what will happen. What did you have in mind when you signed the decree?

[Fujimori] The main idea is that there must be competitiveness in all activities.

There should not be a monopoly by either the private sector, which could prove quite dangerous, or the public sector.

[Lombardo] Engineer...

[Fujimori, interrupting] There should also be competition within the social security administration. The administrators of public funds should also face competition, which would be truly innovative. It would, in effect, allow money to be set aside for retirement, instead of the government or the social security administration using those resources for other purposes or to pay for the bureaucracy of 45,000 more employees.

[Lombardo] Mr. President, we only have had time to look at six or seven of the 126 decrees produced by the

Executive Branch. The huge legislative production has created a climate of confusion.

[Fujimori] I would said it has highlighted errors because the government acts before it speaks.

[Lombardo] It has, in fact, highlighted mistakes that could backfire. An attempt is currently under way to criticize certain ministers, even Economy Minister Carlos Bolonia, whose presence is essential if the rhythm and firmness of fiscal policy are to be maintained.

[Fujimori] I really am not concerned over that. I am sure the people support all of the legislative decrees, which were written by every one of the cabinet members. It would be difficult to criticize one minister for approving decrees that had a 70, 80, or 90 percent (?approval rate).

[Lombardo] Do you believe your attitude toward the National parliament is rather haughty?

[Fujimori] No. I will abide by what the Chamber of Deputies says, of course. I am involved in the democratic game and I like the game.

[Lombardo] Will the National parliament eventually revise some of these decrees? It would seem to me that this, also, is part of the democratic game because they have the legitimate right to do so.

[Fujimori] Of course. There is already a trend favorable to the decrees. There are people within congress that are supporting us, although they are not members of the ruling party.

[Lombardo] Has the Peruvian Government or the Executive Branch at any time published a law on the democratization of the government's decisions? What type of consultation was conducted to produce these 126 decrees which, I would imagine, took many weeks or perhaps months despite the rate at which they were published?. Did you consult with any of the affected sectors?

[Fujimori] We consulted certain special sectors such as, the social security sector. A poll was conducted and, evidently, the figures showed us that a change was necessary. Others issues, such as the acceleration of private investment in the electricity sector, are very specialized. We had to approach this issue in a very technical and professional manner, consulting people most knowledgeable on the subject.

[Lombardo] The public also believes that a new economic package is pending. What do you say to this; can you alleviate our fears?

[Fujimori] I totally deny that.

[Lombardo] There will not be a new economic package?

[Fujimori] I am aware that 61 percent of the people believe there will be an economic package by the end of the year.

[Lombardo] The government has always given us a little Christmas gift.

[Fujimori] That is so. This time, however, the gift is that there will not be such an economic package. Economic indicators are rather encouraging; inflation indexes are decreasing; international reserves have surpassed $1 billion; there is also a reactivation in the investment sector. These are very favorable indexes, but what matters most is that an economic package will be enforced only if there is a cash deficit, which we do not have. Each month that passes, thanks to the efforts of the National Superintendency of Tax Administration, the situation of our national treasury improves.

[Lombardo] [Words indistinct] tax collection?

[Fujimori] As long as tax collection improves, we have no reason to make increases.

[Lombardo] Management is so efficient, income has increased, figures are in the black for the first in a very long time, inflation is down, but still nothing has been done to develop a social emergency program.

[Fujimori] In reality we are making an effort. The fact is there has been a lack of publicity and political propaganda. For example, with the direct support program, in coordination with the Armed Forces, food to last 20 days has been distributed to 250,000 people.

[Lombardo] There are 7 million people who need support at this time.

[Fujimori] This is a beginning. We cannot help the 7 million simply with assistance. What we must do is generate resources to create jobs.

[Lombardo] Do you think the investment indicators, which have been slowly improving, will improve more rapidly next year? Do you think that your trips will bring about greater foreign investment?

[Fujimori] The president of Occidental Petroleum made an important announcement. He promised in California that Occidental will invest large amounts to increase the number of oil wells. We also hope that [word indistinct] will invest more than $200 million to $400 million. U.S. petroleum companies are requesting permits and authorizations for exploration. There has been investments in the fishing and agroindustrial sector because of Peru's special ecological conditions. Therefore, I am optimistic in this regard.

[Lombardo] Mr. President, three days ago, the attorney general brought charges against former President Alan Garcia. What do you think of that action and what do you expect from the trial?

[Fujimori] As I said during the previous proceedings at the legislative branch level, I believe that as president of the country I must refrain from voicing an opinion that

might be considered a prejudgment. I think that at all levels, the responsible authorities must act in accordance with the law.

[Lombardo] Mr. Fujimori, it seems you like to travel. You just made your seventh trip abroad to visit Southeast Asia. You are now planning your eighth and nine trips. You will be visiting Caracas and Santa Fe de Bogota to attend the fifth meeting of the Rio Group, the sixth Andean presidential council, and the meeting of the South-South cooperation and consultation group. Do these trips have the same characteristics and importance as the previous trip?

[Fujimori] No, in truth the next two trips involve coordination at the Latin American level and specifically at the level of the Andean Group. Peru forms part of the Andean Group. It is a group that is going to have great impact on the lives of our five nations.

[Lombardo] Will recent incidents, such as the one with Ecuador, make real integration difficult? What integration are we talking about?

[Fujimori] Those are issues I will also address. The border issue problem must be resolved. Foreign Minister Augusto Blacker Miller has already made some announcements. In any case, the Andean Group is a reality. Of course, we have to establish a very firm position regarding our own interests and consider subregional interests. The other trip deals with cooperation among the countries of the southern hemisphere. I think these are important meetings for Peru's future.

[Lombardo] What do you expect in 1992? Some of your critics—I am not going to mention the names—say that if you cannot implement your reform plan within your five-year constitutional term, you will override the Constitution. I was asking about 1992 but maybe I should be asking you about 1996?

[Fujimori] Well, in 1996 I am going to be a senator for life. That I can assure you. Many of the reform measures have already been implemented. They will be intensified within the legal framework until 28 July 1995. After that, I will be senator for life. I am not going to override the Constitution, unless there is a modification and I run for reelection. [Fujimori and Lombardo laugh]

[Lombardo] I would like to discuss the issue of SUNAT [National Superintendency of Tax Administration]. Do you think that the SUNAT's activity during the past few days is correct? Do you think that the screws should be tightened?

[Fujimori] Yes, without exception. There are no favorites here. My fellow countrymen, you are witnesses to that. Today, for example, SUNAT raided several businesses where contraband goods were being stored. This was a very rigorous operation conducted with the support of the Army and the national police.

[Lombardo] I saw pictures of the SUNAT operation and I was surprised, Mr. President, to see that goods were being confiscated—even if they were presumably contraband products—without any certificate or document to prove that such and such quantity of merchandise was being seized. There is a problem here...

[Fujimori interrupting] No. Everything is being done according to the law and the guarantee given by the current tax law. We have no commitments to anybody.

[Lombardo] You do not—this may be one of your virtues—owe anything to anyone. You do not feel committed to any group, sector or person. Is this what allows you to act the way you do?

[Fujimori] That is right. No one is going to stop me from doing so.

[Lombardo] Not even your party?

[Fujimori] I have no commitments, not even to my party or its representatives; or to the most prominent representatives of the various political parties. Why should this happen? Particularly now that Peru requires moralization in an effective manner. So whoever is affected, is affected.

[Lombardo] Do you expect that Change 90 will offer candidates for next year's municipal elections?

[Fujimori] There will be many surprises.

[Lombardo] Mr. Fujimori, thank you very much for granting us this interview. I think that it has allowed us to inform the public about some of the presidential decrees. I must admit that this interview has been somewhat slanted, in the sense that I have basically emphasized controversial decrees. I omitted dozens of the remaining decrees that unanimously or almost unanimously are being credited for changing the country after 10 years. They were 10 years in which other governments did not dare do some of the things you have begun to do regarding public health, national education, and above all the national economy.

[Fujimori] Also agrarian reform and social security. I too would like to thank you for granting me this opportunity to clarify some issues, but I think that some decrees still need explanation. I plan to explain the meaning of each one of these decrees to the public. This is really helping us change the country. I believe that the basis for an authentic democracy is being established, a democracy where everyone can have the same opportunities.

[Lombardo] Thank you very much and good luck to you.

[Fujimori] Thank you.

Prime Minister on Decrees, Military, Terrorism

PY3011124891 Lima LA REPUBLICA in Spanish 23 Nov 91 pp 15-17

[Interview with Prime Minister Alfonso de los Heros by Mariella Balbi—place and date not given]

[Excerpts] [Balbi] Mr. De los Heros, did you consult with other political parties before approving the 119 decrees that the government promulgated recently?

[Heros] Carlos Torres y Torres talked with representatives of other political parties when he was prime minister. Do not forget that the request for special powers was made during his administration. The executive branch is responsible for the technical work to produce those decrees.

[Balbi] But why did you not ask the opinion of others?

[Heros] We consulted quite often with people who know about the different subjects and who belong to various political parties, although not in an official way. We used the prerogatives granted to the government by Congress to resolve technical problems and allow the country to move forward.

[Balbi] Senator Fernando Belaunde is opposed to the decree that modified the educational system and Senator Luis Bedoya has said that the decrees have broken the institutional system. Does this criticism tell you something?

[Heros] We talked with different bloc leaders, including Fernando Belaunde and Luis Bedoyan, once the decrees were promulgated. Things are not usually as they are presented by the press. Their criticism is due to fixed perceptions of the problem. We will talk with them and they will realize that the decrees are a positive development.

[Balbi] Would you go back on some of your decisions?

[Heros] We must not talk of going back. We are showing our position to the people and the Congress. Congress might introduce amendments. I will ask committee members to allow us to work with them during the revision of the decrees so that we can discuss the issues and present our arguments. I am ready to send the technicians who worked with us to explain to committee members the reasons that prompted us to issue those decrees.

[Balbi] Do you feel bad about presiding over a cabinet that cannot make the Social Emergency Program (PES) work, as was pointed out by Minister Carlos Bolona?

[Heros] I do not feel good about it, because the PES did not work when or as quickly as we needed it. It has worked badly, but to me it is an A-1 priority program.

[Balbi] Who is in charge of the program?

[Heros] Luz Salgado leads the program.

[Balbi] She maintained a surplus when she should have spent money.

[Heros] She is doing a very interesting job.

[Balbi] Interesting because of the surplus?

[Heros] The surplus is also an indication of peace and prosperity. What she is doing is all right. The PES has signed agreements covering sanitation, cholera control, etc. The program needs more funds and it must work faster. That is the key to improve PES performance.

[Balbi] According to Minister Bologna, the PES chairman does not have the managerial skill to spend those resources.

[Heros] The problem was that the organization was not legally complete. Now it is. I expect from now on we will not have to keep idle surpluses and the accounts will be balanced.

[Balbi] Minister, just imagine you are Juan Perez, that you have six children and you earn the minimum salary. Then the government reduces the number of public schools. Where do you send your children?

[Heros] Students are transferred but all their expenses will be paid by the state, that is, their education continues to be free. That is something that no one really understands. [passage omitted]

[Balbi] Will it improve in 1992?

[Heros] Everything is stagnant. It will depend on whether we are given powers to complete the tax reform and thus increase fiscal revenues.

[Balbi] I will ask you again to use your imagination. If you are a journalist and if you publish a National Intelligence Service [SIN] document, why do you have to be jailed for two to five years?

[Heros] That is not a serious approach to the subject. The Constitution guarantees that documents are confidential. You may not publish a document of mine....

[Balbi] Then why was the law approved?

[Heros] It applies to documents that are considered state secrets....

[Balbi] What about the document published by a journalist about the Armed Forces' treatment of terrorists?

[Heros] That was a specific report by an individual. The SIN documents that may not be published are those that are confidential and secret. Not all documents should be considered as such, because this would be meaningless. The measure applies to protection of some documents, and this is done all over the world.

[Balbi] Documents are published in many countries. CIA documents are published and no one goes to jail. There was also the Watergate scandal....

[Heros] That's different, but there are some cases in which secret state documents may not be handled by private individuals. This could amount to an infraction. The law was designed with this idea in mind.

[Balbi] Justice Minister Augusto Antonioli has said that some laws restrict journalism. Do you agree with that?

[Heros] He said that some laws had to be clarified through regulations, in order to avoid confusion. Obviously, not all documents are secret. Likewise, a SIN official cannot enter just anywhere with his membership card. Antonioli explained that a certain number of officials would have that power, for example, as in the case of SUNAT [National Superintendency for Tax Administration].... [passage omitted]

[Balbi] You have said that the social mobilization law applies to external war....

[Heros] Mobilization almost always applies to external war; it is fully valid in this type of situation....

[Balbi] Why then was it published if we are not in a situation of external war?

[Heros] The last law on the subject is very old....

[Balbi] I think it is from the time of Morales Bermudez....

[Heros] Everything has been improved; many things have changed.

[Balbi] Do you guarantee that this law will not be used for an internal war?

[Heros] I do not guarantee anything, because the law may be used for cases of terrorism.

[Balbi] Why should citizens—in case of terrorism—provide information or goods?

[Heros] It might be necessary. For example, if terrorists seize a city and if the security forces do not have vehicles of their own, they may use your car or my car. They will return it or pay for it later....

[Balbi] Do you think they will pay for it?

[Heros] They will have to pay for if they lose it. It is not a regulation for confiscation but for mobilization. I sometimes worry about the negative mentality of retrogression with which these decrees are considered. This reaction is suitable during military dictatorships, but now there are rules for the game....

[Balbi] You should admit that there is some degree of arbitrariness on the part of the military....

[Heros] The Armed Forces are making strenuous efforts to work and help the people. Orders have been issued in this regard. It is a government's concern....

[Balbi] If cooperation is requested, don't you think that it is a contradiction that one should be forced to deliver some goods or information?

[Heros] It should be a spontaneous action for people whose civic values match the prevailing circumstances. But this is not always the case....

[Balbi] But neither do our Armed Forces behave in keeping with circumstances....

[Heros] They are working and they are doing their best....

[Balbi] The same could be said of civilians....

[Heros] You should take into account that we are in an unprecedented situation. In many places, the Armed Forces must cope with substantial deficiencies, like in places in which there are no civil authorities. There have been complaints that the Armed Forces have replaced civil authorities, but there are places from which civil authorities have run away and did not return even with the presence of the Armed Forces. And what will happen in the meantime? Nothing works, and towns are paralyzed. The Armed Forces often play the role of father and mother.

[Balbi] Eleven years of antisubversive war have shown that it is not advantageous to give more powers to political-military commands....

[Heros] The existing laws were not sufficiently up to date. Perhaps this is why the commands were not efficient.

[Balbi] But civilians are losing their rights....

[Heros] The point is to enforce the law where there is no authority. The law will probably not be enforced in Lima. There is something I do not understand: People have for months and years demanded unified commands and that the president lead the war. They have demanded many things. And when things are done they say: I don't like it, it is excessive....

[Balbi] The demands are for increased participation by civilians, who are, however, decreasing in number....

[Heros] There are civilians who cannot or who do not want to participate, while others retire. There are increasingly fewer civilians who assume that type of responsibility. These laws do not seek to end the power of civilians. They only seek to compensate for deficiencies.

[Balbi] Why have so many powers been granted to the president, who now designates the general commander of the FAP [Peruvian Armed Forces], the AP [Peruvian Navy], the EP [Peruvian Army], and the PN [National Police]? Doesn't this compel commanders to engage in intense political activities?

[Heros] Who designated them in the past? They were ultimately designated by the president. It is not a major change. When hasn't the president designated whomever he wanted in this country?....

[Balbi] Do you mean to say that you have ended the show of hypocrisy that ....?

[Heros] I do not mean that, but rather that the stability of commanders has been organized in a more efficient

manner. The constant replacements for seniority or retirement reasons were inappropriate.

[Balbi] Do you think progress has been made in the antisubversive war?

[Heros] Yes. For example, in the psychological situation of the Armed Forces, which has been imbued with a criterion of respect for human rights. I do not mean to say, however, that no mistakes are made in this area. There are also places that have been recovered and in which there is more tranquillity, like Ucayali and Mantaro.

[Balbi] Don't you think that it is astonishing that almost one month after the Barrios Altos massacre, the forces of order have not yet concluded their investigation?

[Heros] The ministers said in Congress that the investigation is underway. They have reported each progress in the investigation and they have supplied documents. If it had been easier, it would have been done. The ministry will conduct the investigation and the results will be made known.

[Balbi] There are indications that paramilitary groups are responsible....

[Heros] I did not go deep into the subject. It can be a revenge action by the same group, by rival groups, or even an action by third parties....

[Balbi] Congressmen will not be very satisfied with your answer....

[Heros] But do you think I can know who did it?

[Balbi] You can know whether or not it was done by a rival group, that is, the MRTA [Tupac Amaru Revolutionary Movement] against the Shining Path....

[Heros] That is an interpretation. I cannot talk about suppositions before I have the results of the investigation.

[Balbi] Let us assume there are paramilitary groups. Don't you think this is serious?

[Heros] If there are paramilitary groups, they must be detected and their action must be halted. That is why we are investigating.

[Balbi] Do you think human rights organizations are accomplices to terrorism and armed branches of subversion?

[Heros] I think they issue a warning whenever there are extreme situations, and this is very important. Some organizations may have been infiltrated, others may be performing as useful idiots, and still others may be exaggerating or may be partial....

[Balbi] Why does President Fujimori make a general assessment, saying that those organizations are the armed branch of subversion? He does not say that some of them are....

[Heros] The president did not say everyone without exception. You should not interpret it that way.

[Balbi] Why doesn't he say who they are? Why have Amnesty International, Americas Watch, and the National Coordinating Board of Human Rights Organizations believe that the statement referred to them?

[Heros] Americas Watch has tacitly addressed Abimael Guzman as a chief of state. This is how they lost their balance....

[Balbi] As you say, it could have been a mistake, but it does not amount to supporting subversion....

[Heros] Some organizations may do it. We should not let other people use us.

[Balbi] Do you think that the organizations that I have mentioned do not conduct their own investigation before giving an opinion?

[Heros] I suppose they do.

[Balbi] Is our foreign policy slower and calmer than that of Ecuador?

[Heros] No. We have different viewpoints. Ecuador takes into account other factors. We have an absolutely sound, unquestionable legal position. This is why we have a different attitude. [passage omitted]

[Balbi] The Senate has approved two articles of the law declaring agriculture in a state of emergency. Minister Bolona said the Senate decision violates agreements with international organizations. How would you react if the measure is approved?

[Heros] I think senators will reconsider the decision because it does not make sense. The law would hurt agriculture instead of helping it. I hope we will not have to cross that bridge. The measure might be popular but it is unnecessary.

[Balbi] What would you say if you were an affected farmer?

[Heros] The system has not worked for a long time. How much longer are we going to claim that we cannot compete with other products? Our system is not modern. There are other ways....

[Balbi] For instance?

[Heros] We can give farmers direct help, technology, seeds.

[Balbi] But that is not being done.

[Heros] It is done on a very small scale. We need to earmark more money to that end. Our policies have that purpose.

[Balbi] Will Congress censure Agriculture Minister Rossl Link?

[Heros] I hope not. He has done a good job within the ministry's limitations. It would not be just. Congress has the prerogative to censure him. If they do it we would have to accept it, but it would be unjustified.

[Balbi] Do you think he might be only the first on a list of government figures who will be censured?

[Heros] I hope not. It has become increasingly easy to talk with the other political blocs.

[Balbi] Do you not consider the possibility that congressmen might receive you with a hostile mood when you explain your policies to them, considering present circumstances?

[Heros] I do not think so. Congressmen view the situation with increasing maturity. I do not think there is hostility against the government. There is a climate of expectation for the changes we are introducing.

[Balbi] Why did you accept a fishing engineer [Victor Paredes] as health minister?

[Heros] He is really a biologist.

[Balbi] But his degree says he is a fishing engineer.

[Heros] Maybe it is for the same reason that some time ago we named an agronomy engineer as health minister. I am talking about Watson Cisneros, whose administration was one of the best.

[Balbi] Are you saying that you expect Victor Paredes's administration to be as good?

[Heros] Yes. He is very intelligent, able, and capable to administer the ministry. He is going to do a good job.

[Balbi] How do you assess your performance as Chamber of Deputies president?

[Heros] It is not for me to say.

[Balbi] But you are also a citizen.

[Heros] As a citizen I would say that my performance was adequate, given the circumstances.

[Balbi] You have said that the government has only created 50,000 jobs during this period. Do you think the figure is an indication of success?

[Heros] No. The figure is clearly insufficient.

[Balbi] It is not then necessary to reconsider your policies?

[Heros] The figures show that we must strengthen our employment policies.

[Balbi] You are a greater believer than the pope himself.

[Heros] No. But I think we are going to succeed. The decrees are part of a whole new approach. We will see how these policies do in time. We are going to change the country. Let us hope it is going to be for the better.

EEC Grants $162 Million Nonreimbursable Loan

PY2611230291 Lima EXPRESO in Spanish
19 Nov 91 p A3

[Summary] Ernesto Salazar, EEC representative for the Andean countries, has announced that the EEC will grant Peru a nonreimbursable loan of $162 million for ecology, rural development, food production, and to fight against drug trafficking. The loan will be delivered in three portions next year.

Three Major Agreements Signed With Switzerland

PY2911210891 Lima EL COMERCIO in Spanish
23 Nov 91 p A5

[Excerpt] Peruvian Foreign Minister Augusto Blacker Miller reported on 22 November that three major agreements were officially signed with Switzerland in which this country grants Peru its support within the framework of the Support Group, which was created to guarantee the possibility for Peru to rejoin the international financial system.

He said: "One of the agreements provides for a nonreimbursable fund totaling $10 million to Peru." He explained that this is a support for the Peruvian balance of payments so that Fujimori's administration can make use of this fund at its convenience.

Blacker added: Another agreement deals with the protection of Swiss investments in Peru, "which is of great importance because it provides more security and tranquility to Swiss investors in Peru."

At the end of the signing ceremony at Torre Tagle Palace, Blacker said the third agreement establishes the terms of renegotiation and refinancing of Peru's debt with Switzerland.

The accords were signed by Blacker and by Nicolas Invodeen, a Swiss Foreign Trade Ministry director, on behalf of the Swiss Government.

Asked on Fujimori's visit abroad, Blacker said that Latin American presidents had asked Fujimori to represent them in the Group of 15 summit.

Blacker said: "This group that represents the nonaligned countries analyzes subjects of international interest, but this time it will not discuss the border conflict with Ecuador." [passage omitted]

Diplomatic Relations Established With Belize

PA0112190291 Madrid EFE in Spanish 0256 GMT 29 Nov 91

[Text] Lima, 28 Nov (EFE)—The Peruvian Foreign Ministry has issued an official communique announcing that Peru has established diplomatic relations with Belize.

The communique states that the governments of the two countries were encouraged "by firm will" to develop ties of friendship and cooperation, based on their common respect for the principles and norms of international law and, thus, decided to establish diplomatic relations.

The communique adds that the decision is supported by their respect to the propositions contained in the UN Charter and by its commitment to international peace and security and economic development.

It also says that Peru and Belize have agreed to appoint ambassadors as soon as possible.

Venezuela

Student Protests Continue; Four Injured

PA0312033791 Hamburg DPA in Spanish 2216 GMT 2 Dec 91

[Text] Caracas, 2 Dec (DPA)—A Caracas radio station has reported that violent clashes in Valencia between police and students have left at least four people injured, one seriously.

Radio Rumbos reported that the unrest began when a group of unidentified people attacked and burned two cargo trucks in the downtown area as part of a Carabobo University Street protest against the economic adjustment plans of Social Democratic President Carlos Andres Perez.

The station said three injured students and one policeman are hospitalized at the Valencia clinic.

To prevent further violence, the National Guard took control of the city, which is one of Venezuela's main industrial centers and is located about 190 km west of Caracas.

The growing wave of street protests by university and high school students in Caracas and numerous interior cities has worsened over the past two weeks, leaving six people dead and dozens injured.

In Caracas on 2 December, a group of unidentified people burned two cargo trucks during a student demonstration across from the Luis Caballero Mejia High School in the neighborhood. Local radio stations reported that the unrest was quelled by the National Guard and police.

Student and police clashes in Caracas did not result in any personal injuries. Students also demonstrated in Merida City in the Venezuelan Andes without incident.

Navy Signs Cooperation Agreement With Colombia

PA2911152291 Caracas Venezolana de Television Network in Spanish 0000 GMT 29 Nov 91

[Text] In a climate of great fraternity, the Colombian and Venezuelan Navies have signed a mutual cooperation agreement. The two navies are thus fulfilling the terms of agreements previously signed by the countries' defense ministers. The agreement includes logistical support, technical assistance, and training. The signing ceremony was held in Puerto Ayacucho, and the two naval commanders stressed the importance and significance of the event.

[Begin recording] [Colombian Navy Commander Gustavo Adolfo Mejias] The cooperation document we have just signed has unprecedented historical importance and significance. With it we will [words indistinct] important developments that will take place in the immediate future; namely, the inevitable integration of our two countries.

[Venezuelan Navy Commander Ignacio Pena Cimarro] This agreement sets an example for the people of many countries. We are taking the initiative and finalizing plans for future talks and agreements at the presidential and ministerial levels. [end recording]

* PDVSA Official Explains Six-Year Plan

92SM0097B Caracas EL UNIVERSAL in Spanish (Section 2) 1 Nov 91 p 4

[Article by C. R. Chavez; first paragraph is introduction]

[Text] The plan is designed to expand and improve the capability of PDVSA [Venezuelan Petroleum, Inc.] to respond to international hyrocarbon demand, and to meet the internal demand for government revenues. This six-year plan containing numerous petroleum, petrochemical, bituminous, gas, and coal projects, calls for investments of 2.6 trillion bolivars.

Calculated in current or nominal bolivars, PDVSA is proposing total investments during the next six years of 2.6 trillion bolivars (about $48 billion at the present exchange rate). Slightly less than a third of this would be provided by the PDVSA affiliates operating in various areas and at different levels—always secondary to petroleum and basic petrochemicals—during the six years from 1991 to 1996.

The PDVSA 1991-1996 Plan—said PDVSA's vice chairman, Pablo Reimpell, in a recent forum sponsored by the Future Foundation and the Rafael Urdaneta University—may be considered a development strategy for the nation, not only through its traditional role as the primary generator of the foreign currency needed for the growth of the rest of the economy, but also through its

snowballing impact on the national economy, through purchases of goods and services in a national industry closely integrated with the petroleum sector.

The PDVSA executive said the plan's stimulating impact will also include petroleum-related industrial developments through an unprecedented petrochemical sector expansion plan, based primarily on Venezuelan and international private participation, along with developments in coal, in the Orinoco Basin, and natural gas exports.

Reimpell also said the plan will seek investments of approximately 2.6 trillion bolivars; of this, 800 billion is to be provided by the PDVSA affiliates. The remaining 1.8 trillion will come from the PDVSA cash flow through ordinary mechanisms, such as distribution of export revenues and financing through export agencies, suppliers, and national and international banks.

Reimpell added that the strong and growing participation of heavy and extraheavy crudes and of long-term bituminous products in the PDVSA production program, especially from the Orinoco Basin, makes it essential to move forward with strategic associations for technology, financing, and efficient market penetration.

The Multiplier Effect

"According to our calculations," said Reimpell, "implementing this six-year plan will have a strong impact on the entire national economy. That impact," he added, "will be reflected in a gradual and sustained increase in export revenues from the petroleum, petrochemical, and coal industries, and also in higher levels of activity in the national economy through the multiplier effect—both horizontal and vertical—of increased petroleum activity. The expansion of exports from the nonpetroleum subsidiaries will be quite substantial. The exports of Pequiven, Bitor and Carbozulia [PDVSA subsidiaries] will be multiplied six-fold within the plan's lifetime. In terms of diversification, these companies' exports will grow from about 5 percent of PDVSA's total exports in 1991 to 25 percent in 1996."

The PDVSA vice chairman said that the company is aiding the nation's economic growth by providing somewhat over 40 percent of the GDP [Gross Domestic Product] growth rate this year, estimated at 7 percent, and that it is purchasing 200 billion bolivars' worth of materials, equipment and services within Venezuela in 1991. This level will be maintained during the next five years.

Three Basic Objectives

Reimpell defined three basic objectives for the PDVSA 1991-1996 plan:

1.Using the opportunities offered by the international petroleum market to place incremental volumes at competitive prices.

2.Assuring the long-term continuity of the Venezuelan petroleum industry by continuing to bring to the market Venezuela's abundant heavy and extraheavy crude reserves.

3.Contributing to national development through the traditional route of providing the foreign currencies needed for the nation's imports, and also through petroleum activity's stimulating impact on the national economy.

Reimpell repeated that only Venezuela and the Persian Gulf OPEC members have the capability to satisfy the increase in worldwide petroleum demand. He described the explorations to be conducted under this plan for more light and medium crudes as of singular importance, though he admitted that this was only a "transitional" solution in the inevitable shift to the increasing development of Venezuela's heavy, extraheavy, and bituminous reserves, as well as residual products. This is being done, said Reimpell, by integrating markets through associations and long-term contracts with clients who need this type of hydrocarbon product, increasing the heavy/extraheavy crude processing capacity, and eliminating residuals, both in Venezuela and abroad.

Toward Specific Objectives

Reimpell summarized the PDVSA plan's major objectives as follows:

1. Through the exploration plan, adding about 9 billion barrels of proven reserves of light and medium crudes and crude condensates. In addition to offsetting production during this period, this program will boost reserves by some 3 billion barrels.

2. Expanding the crude potential and production available for 1996 to 3.6 million barrels of potential and 3.25 million barrels of production per day.

3. Increasing natural gas availability in the domestic market by 1.1 billion cubic feet per day, reaching a liquid natural gas and ethane production of 316 billion barrels per day of petroleum equivalent.

4. Increasing the optimum pace of refining in Venezuela from 1.19 million barrels per day to 1.6 million barrels per day, and processing 500,000 barrels of heavy crude per day.

5. Raising the amounts of crude processed in PDVSA refineries abroad from 610,000 barrels per day to 850,000 barrels per day, and increasing the heavy crude processed to approximately 300,000 barrels per day by the end of this period.

6. Increasing the gross petrochemical production capacity from 2.5 million metric tons a year in 1990 to 13.7 million metric tons in 1996, with exports rising from the present level of 600,000 metric tons a year to 4.9 million metric tons a year in 1996.

7. Increasing the Orimulsion subsidiary's potential and production to 900,000 barrels per day and 710,000 barrels per day, respectively, by the end of 1996.

8. Increasing the coal subsidiary's production from the present level of 1.5 million metric tons a year to 11.5 million metric tons at the end of 1996.

* PDVSA Budget for 1992 Discussed

92SM0097A Caracas EL DIARIO DE CARACAS in Spanish 31 Oct 91 p 17

[Article by Dalia Gutierrez; first paragraph is introduction]

[Text] Although the PDVSA [Venezuelan Petroleum, Inc.] budget is still being drafted at this time, it has been learned that approximately $2.5 billion in outside financing will be sought for 1992. The price of a barrel of crude is calculated at $17, and export levels at 2,200,000 barrels per day.

PDVSA's proposed 1991 budget will be 490 billion bolivars (in 1991 bolivars). It is estimated that 230 billion bolivars will be earmarked for investments, and 260 billion for operational costs.

EL DIARIO DE CARACAS learned from Venezuelan petroleum industry sources that the figures being used in this budget are $17 per barrel (at an exchange rate of 67 bolivars per dollar), with an export level of approximately 2,200,000 barrels per day. This differs from the national budget, which calculates the export price at $19 and export levels at 1,900,000 barrels per day. Next year's prices are not expected to remain that high, according to the scenarios worked out for this budget which is still being given the final touches.

One of the central points in the national petroleum industry's budget is the need to alter the VFE [Fiscal Export Value] in a progressive manner. For 1992, this would mean the export tax would be reduced to 15 percent. That is one of the key elements in this document which is still under discussion.

Several months ago the Presidential Advisory Commission on Petroleum clearly demonstrated that industry needs a change in this tax, along with the new Income Tax Law. However, no decision was made at that time.

In any case, while this decision is being made, PDVSA is insisting on a gradual modification for its investment plans; if this does not happen, the scheduled levels would simply not be achieved; without investment, production will drop.

The treasury must approve some other type of tax (if the VAT [Value Added Tax] is not approved) so the treasury can obtain other revenues. In short, increase nonpetroleum taxes, in order to rely less on petroleum taxes.

It was also learned that this draft budget proposes approximately $2.5 billion in external financing. This financing would come primarily from Eximbank, national banks, bond issues, and increased private sector participation, especially through strategic associations involving Petroquimica, Carbon, Orimulsion [PDVSA subsidiaries] and refining.

Private participation in last year's PDVSA budget was set at 25 percent; however, due to the need for investment, it was raised to 35 percent (an added 10 percent) to reach an average of 17 billion bolivars.

The total external financing for the PDVSA plan in the mid-term period has been estimated at $7.5 billion. Financing for this year was $1.18 billion.

It was also learned that this year's budget cut in the national petroleum industry meant 24 billion bolivars in lost revenues for the industry, and about 90,000 barrels of crude per day in lost sales.

The investments will be targeted primarily for the northern areas of Monagas and the Norandino Front.

For the 1992-1997 budget covering the PDVSA mid-term period, the adjustments for inflation (calculated in this budget on an exchange rate of 67 bolivars per dollar) must be taken into account.

This budget will first be presented in the council of ministers and later, with its modifications, will be submitted for approval in the regular PDVSA assembly, chaired by the minister of energy and mines, Celestino Armas.

* Human Rights Abuses by Police Reported

92SM0099A Caracas EL UNIVERSAL in Spanish (Section 1) 29 Oct 91 p 31

[Article by Pilar Pascual; first paragraph is introduction]

[Text] Some of the deaths reported are what the United Nations defines as arbitrary executions. A boundary line between military discipline and human rights violations needs to be determined.

Every five days the MAS [Movement Toward Socialism] Human Rights Department receives a report of a death at the hands of the police.

Some of these deaths fall within the United Nations' definition of arbitary summary executions, like the case of Johnie Antonio Ascano Pacheco, who was murdered while he was bound hand and foot in the Ocumare del Tuy Police Station.

Members of the police are also the victims of these violations, like the PM [Metropolitan Police] agent murdered in El Junquito and the Disip [Directorate of Intelligence and Prevention Services] agent whose family was threatened by five Metropolitan Police agents who, according to his account, tortured them.

Deaths of young people performing their military service have also been reported to this group, which considers it

essential to establish a boundary between what could be considered military discipline and human rights violations.

Given the impossibility of radically and immediately transforming society so that such events will not continue to occur, and as there is no time to wait for this change to happen, they announced that they will propose 10 measures to combat the wave of violence. The measures will cover community relations, communications, intelligence, prisons, and legislative steps, and are to be announced next Monday.

A protest demonstration, the March Against Violence, will start on Saturday, 9 November at the Agua Salud Metro Station and will proceed to the San Pedro Claver Church on 23 de Enero.

Enrique Ochoa Antich of the Human Rights Department yesterday went to the prosecutor's office and filed a report on the activities of his organization during the past four months. During this period they have received a total of 38 reports of human rights violations.

To date they have handled only homicide cases, but on Wednesday they will meet with retirees and pensioners to form a committee which will pursue legislative action so that retirement income will never be less than the minimum wage, considered to be the essential income needed to cover at least part of a person's basic needs.

Discussing the "Raids"

"We regret the deaths of police officers, but we also strongly oppose massive police raids, not only because they victimize ordinary citizens who are caught between the criminals' and police crossfire, depriving them of their most basic rights, but also because these raids are counterproductive and create resentment in society, which must provide a foundation of support for the security forces," said Ochoa Antich.

He said that at 23 de Enero and La Vega the police are feared, as "they have damaged property, entered without a search warrant, and broken down doors; not only did they damage property, but their disgraceful actions even resulted in some police stealing educational materials from the citizens."

"There has also been damage to individuals' physical integrity, which makes us very ashamed and sad. I was there until 0100 on the day of the 23 de Enero raid in Cotiza and at midnight I saw some youths between the ages of 17 to 19 come out, beaten, their hands swollen, their shirts torn, crying, practically carried by their parents because they could barely walk. According to my statistics, 99 percent of the people arrested in that raid had nothing to do with any irregular activity, and were released."

In the 23 de Enero raid women, both young girls and older women, were forced to undress; there were violations and money was lost. These complaints have been sent to Prosecutor Maria Josefina Rendon, who is going to seek an investigation of the officers who assaulted Karis Rodriguez Jansen, one of three brothers who are social activists, "who are generally arrested in these raids."

"Their last name condemned them, as the three brothers are highly combative, but they always use peaceful means. This young man was arrested and they broke his hand. There is another report from a young sports leader who, at the meeting we held about 23 de Enero, very dramatically said: "I am a member of AD [Democratic Action]; I have been a member of AD; I have an AD membership card." And he had an object inserted into his rectum and was abused. A woman reported that her daughter was raped. These are extremely serious reports which speak of very deep-rooted problems with the selection procedures used to form our security forces.

Ten Anti-Violence Measures

One of these measuress will concern the communications media, whose leaders are to meet to propose better control, especially of images. That is one of the most controversial suggestions.

"We are not talking about violating freedom of speech; we are looking for a way this can be handled by the media. It is not a compulsory measure that will violate freedom of expression. The media themselves understand the responsibility they have in this situation."

"When I saw children between 12 and 15 in Cotiza talking completely naturally about weapons, it was clear to me that the media do have influence. People always say that the media are an expression of society's violence, and do not create it, but to a good extent they feed upon each other."

In terms of prisons, one of these measures will attempt to have young prisoners be given special rehabilitation-oriented treatment.

"The Venezuelan prison system returns more criminals to society than it takes in. A man comes in for car theft and leaves as a murderer."

Police Abuses

[Pascual] You receive reports of police abuses. Have you had any reports in which the victim is a member of the police? In the last few weeks members of security forces have become victims."

[Ochoa Antich] We received one report of a PM agent who was shot and wounded by a member of the PTJ [Judicial Technical Police]. He was left with a disabled leg. We are going to file suit for damages and injuries.

Another case happened two or three days after the El Junquito murder. A Disip agent was arrested by five plainclothed PM agents. They went into his house, but he was not there; they threatened a four-month old baby, the granddaughter of the Disip agent, James Morris.

They burned a lock of hair of the Disip agent's wife near her face and another on the back of her head to make her tell them where he was.

He was out in a car. There was apparently a report that the car had been stolen. It had belonged to a PM agent who had died, and it had been stolen. He claimed that the agent was a friend and had lent him the car. This needs to be investigated, but it does not justify that sort of operation. Afterwards they picked up two people and beat them mercilessly.

[Pascual] What two people?

[Ochoa Antich] The Disip agent and another man who had been with the National Guard. I believe three people were actually arrested. One of them was released on the 11th and three days later he disappeared. I am not going to mention names because in some cases it is said that people disappear and then they reappear, but today I reported this to General Caballero so that he can inform us of the whereabouts of this person.

[Pascual] What about the Disip agent?

[Ochoa Antich] He was arrested, beaten, and taken to Cotiza; at night in the shack next to the station they placed plastic bags over him, tortured him, and he decided to file his complaint the next day.

Boundary Between Discipline and Violations of Rights

[Pascual] In practice, how is it possible to keep military discipline from becoming a violation of human rights?

[Ochoa Antich] We are trying to set up a committee to deal with this, and that is why the youth leaders Leonardo Padilla and Valmore Guevarra are here. They are handling reports of two dead recruits.

There was one case in Carupano, where a young man was sent after joining the military. He was Mateo Alejandro Gonzalez Lara, 19. His wife went to visit him and he did not go out to meet her. She went in. She is 13 and pregnant, and found him lying on a bed. He could not move his leg and his whole body hurt. He told her not to worry, that he was at peace. Then, two days later his mother received an urgent call. She found him in a coma. They told her he had bronchiopneumonia. He died two days later. The mother said that when she touched his head it was full of blood, and his hand was spotted with blood. The mother was left in great doubt, as she did not dare to open the casket that was given to her sealed. That is what the Armed Forces usually do when they turn over the body of a dead recruit. This incident surprised me, for now there are two such cases in two opposite ends of the country, Carupano and Coro.

[Pascual] What about the Coro case?

[Ochoa Antich] It was actually in Quibor; the victim had been in Coro, but was buried in Quibor. His family did open his casket, and found him with lesions and marks on his body. His name was Sabino Antonio Saavedra Gil, and he died in unknown circumstances while in the military.

* Effect of Generic Medicines on Prices Detailed

92SM0072B Caracas EL DIARIO DE CARACAS in Spanish 14 Oct 91 p 21

[Article by Liliana Romo Gallegos]

[Text] The entry of Venezuelan Laboratories, Genven, into the market demonstrates that competition does indeed exist in this young sector. Genven was set up by Leti, Inc. to compete with a few brand-name leaders. Bayer will sell the same aspirin in different packaging for 35 bolivars under the marked price. Generic drugs cost up to 77 percent less than well-known brands. The Curiel Foundation has introduced a bill.

Enjoying 102 years of fame on the world market, aspirin, war horse of the German Bayer Laboratories, will, for the first time in its long history, have a generic version to be introduced only on the Venezuelan market for 35 percent less than the regular price.

Aspirin will be the only Bayer product to be marketed in a generic version because the remaining medications, numbering some 155,182, are protected by international patents that that laboratory began to register as early as 1882, when it applied to the Imperial Patent Office in Germany.

"We pharmaceutical companies cannot vie with the government, which has made a political decision to promote the program of generic medicines in the country, a decision to which we laboratories are committed," Hans Rothe, director of Bayer in Venezuela, noted.

Generic aspirins will be like those marketed under the brand name. Only the packaging will be different and, like all other products, Bayer will be periodically inspected at its new quality control laboratory, representing a fresh investment of $3 million at the recently opened La Trinidad plant.

In 1990, Bayer sold some 300,000 bottles of aspirin in the country for a total of 100 million bolivars.

The volume of production of the generic version has not yet been set by Bayer, which is about to conduct a survey to determine whether it will make a dent in its most popular brand, traditionally marketed in a single dose. The price Bayer pays to develop generic products could mean a headache not yet studied by its scientific laboratories, which monopolize 34 percent of the company's worldwide sales. In 1989, 2,895 million marks were devoted to this line.

Leti

Of the 44 generic products sold in the country's 3,000 pharmacies, which market some 3,800 brand-name pharmaceutical products, about a dozen are produced by

the Venezuelan laboratory Leti, Inc., which for the past three years or so, following an expansion of its facilities, has ranked fifth among the nation's 72 local and foreign transnational laboratories.

With a background of 40 years in the manufacture and marketing of some 100 pharmalogical products in addition to Sensodine toothpaste, Stetic Farm tanning lotion, Polident, a foaming cleanser for false teeth, and the rehydrating beverage for athletes known as Sport One, Leti's billing in 1990 totaled 600 million bolivars.

On Thursday of this week, the laboratory, headed by Jose Maria Massa, opened its marketer and distributor, the Venezuelan Generic Laboratory, Inc., otherwise known as Genven.

The line of products that Genven already has on the market, even before its official opening, will be produced at the Leti facilities using raw materials from the most important centers of development in Europe and the United States.

The generics, duly certified by the Ministry of Health and Social Assistance, will be regularly inspected by Leti's Discutor quality control equipment.

Progress Slow

Genven does not yet know how much of the local market it will supply with generic products, which will be between 30 and 77 percent cheaper than brand-name products including cardiovascular and hypertensive medications, antibiotics, antihistamines, vitamins, and gastroenterological medicines.

Genven's penetration of the market has proved that generic drugs can compete on the local market, as demonstrated by the generic Sodium Diclofenac costing 72 bolivars, 247 under the brand-name product Voltaren, which is sold for 319 bolivars, a difference of 77 percent.

With respect to national brand names, Genven's Captroprilo, sold for 140 bolivars, about 458 bolivars under the international Capoten, sold for 416, is also competing with the Palenzona laboratory, which sells it for another 10 bolivars less.

Genven's line of generic products includes medicines that had previously not been part of its line, which has been diversified to compete with new suppliers.

The main portion of the costs, some 30 percent, is comprised of advertising and will be saved by Genven generics, sold in orange containers. Information on the availability of these products is being sent to physicians and pharmacies. The possibility of opening up an exclusive plant is being examined because, as Genven general manager Jose Poncel puts it, "Affairs of state move slowly."

Venezuelan Generics, Inc.(Genven)

Product and presentation	Price (bolivars)	Original Product	Price	Difference
Astemizol, 10 mg X 10 tablets, EFGC 25775	95	Hismanal, 10 mg X 10	320	-225
Sodium Diclofenac, 50 mg X 20 sugar-coated pills, EFGC 26241	72	Voltaren, 50 mg X 20 sugar-coated pills	319	-247
Sodium Diclofenac, injectable 75 mg X 5 ampules	109	Voltaren, injectable, 75 mg X 5 ampules	319	-210
Injectable Cefatolina, 1-gr vial, EFGC 25482	160	Injectable Keflin, 1-gr vial	232	-72
Injectable Amikacina, 100 mg X 2 ml, EFGC 26315	85	Injectable Biklin, 100 mg X 2 ml	142	-57
Oxacilina, 500 mg X 12 capsules, EFGC 26371	260	Prostafilina, 500 mg X 12 capsules	335	-75
Oxacilina, 250 mg, injectable, EFGC 26328	62	Prostafilina, 250 mg, injectable	69	-7
Captoprilo, 50 mg X 20 tablets, EFGC 25977	225	Capoten, 50 mg X 20 tablets	683	-458
Captoprilo, 25 mg X 20 tablets, EFGC 25978	140	Capoten, 25 mg X 20 tablets	416	-276
Injectable Amikacina, 500 mg X 2 ml, EFGC 26316	286	Injectable Biklin, 500 mg X 2 ml	439	-63